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BOARD MEETING
STATE OF CALIFORNIA
INTEGRATED WASTE MANAGEMENT BOARD

JOE SERNA, JR., CALEPA BUILDING
BYRON SHER AUDITORIUM
1001 I STREET, 2ND FLOOR
SACRAMENTO, CA

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9:41 A.M.

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CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 13061

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

BOARD MEMBERS

Ms. Margo Reid Brown, Chairperson

Mr. Jeffrey Danzinger

Ms. Rosalie Mul

Ms. Cheryl Peace

Ms. Gary Petersen

Ms. Pat Wiggins

STAFF

Mr. Mark Leary, Executive Director

Mr. Elliott Block, Acting Chief Counsel

Ms. Julie Nauman, Chief Deputy Director

Mr. Nick Cavagnaro

Ms. Bonnie Cornwall

Ms. Judith Friedman, Branch Manager, Organics & Resource
Efficiency

Ms. Kristen Garner, Executive Assistant

Mr. Nate Gauff

Mr. Brian Larimore

Mr. Jim Lee, Deputy Director, Special Waste Division

Mr. Howard Levenson, Deputy Director, Permitting &
Enforcement Division

Ms. Susan Sakakihara, Acting Assistant Director, Office of
Education and the Environment

Mr. John Smith, Acting Deputy Director, Waste Prevention
and Market Development

APPEARANCES CONTINUED

Ms. Lorraine Van Kekerix, Acting Deputy Director

Ms. Tabettha Willmon

Mr. Calvin Young

ALSO PRESENT

Mr. Greg Balzer, Caltrans

Mr. Jack Broadbent, Caltrans

Mr. Matt Cotton, U.S. Compost Council

Mr. Evan Edgar, CRRRA

Dr. Jerry Leiberman

Ms. Andrea Lewis, CalEPA

Mr. Scott Smithline, Californians Against Waste

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1 PROCEEDINGS

2 CHAIRPERSON BROWN: Call this matter to order.

3 Kristen, do you want to call the roll.

4 EXECUTIVE ASSISTANT GARNER: Danzinger?

5 BOARD MEMBER DANZINGER: Here.

6 EXECUTIVE ASSISTANT GARNER: Mulé?

7 BOARD MEMBER MULÉ: Here.

8 EXECUTIVE ASSISTANT GARNER: Peace?

9 BOARD MEMBER PEACE: Here.

10 EXECUTIVE ASSISTANT GARNER: Petersen?

11 BOARD MEMBER PETERSEN: Here.

12 EXECUTIVE ASSISTANT GARNER: Wiggins?

13 BOARD MEMBER WIGGINS: Here.

14 EXECUTIVE ASSISTANT GARNER: Brown?

15 CHAIRPERSON BROWN: Here.

16 I would like to remind everybody, if you have cell
17 phones, please turn them to the vibrate mode. And if you
18 intend to speak, we like to request that you turn them
19 off, please. There are speaker slips located at the back
20 of the room, and if you intend to speak, please bring them
21 up to Kristen.

22 This Board will go into closed session at the
23 conclusion of today's board meeting. And I would like to
24 stand and everybody do the Pledge of Allegiance.

25 (Thereupon, the Pledge of Allegiance was

1 recited.)

2 CHAIRPERSON BROWN: Thank you. Do we have any
3 Board members have any ex-parte to report?

4 Seeing none, everybody is up to date.

5 And does any board member have any open comments
6 or reports before we go to the executive director's
7 report?

8 Okay.

9 Mark?

10 EXECUTIVE DIRECTOR LEARY: Good morning, Madam
11 Chair, members.

12 First of all, a couple of very positive notes on
13 behalf of the staff of the Integrated Waste Management
14 Board, I like to congratulate Chair Margo Brown for her
15 confirmation.

16 (Applause.)

17 EXECUTIVE DIRECTOR LEARY: And similarly, very
18 positive, I want to welcome the return to Bob Conheim to
19 our audience.

20 (Applause.)

21 EXECUTIVE DIRECTOR LEARY: Not yet back in an
22 official capacity. We're happy to have citizen Bob in our
23 audience.

24 BOARD MEMBER PETERSEN: That's right. Citizen
25 Bob.

1 EXECUTIVE DIRECTOR LEARY: He may offer some
2 testimony that we may not want to hear at some point.
3 He's certainly capable of it, as we all know.

4 (Thereupon an overhead presentation was
5 presented as follows.)

6 EXECUTIVE DIRECTOR LEARY: Several things to
7 report, Madam Chair. I got some business and then some
8 personnel issues that I want to close with, but let me
9 start with the business first, and that is to report on
10 the very successful cleanup of National City, in National
11 City, California.

12 Back in -- project approved back in July of 2002.
13 This project is located in the City of National City, just
14 south of San Diego.

15 --o0o--

16 EXECUTIVE DIRECTOR LEARY: We have some slides to
17 show this site has been previously used as a dump, and the
18 eastern portion of the site was used for a slaughterhouse,
19 meat packing plant, metal and battery recycling, railroad
20 support, and an olive oil plant. The work site included
21 properties of the Community Development Commission of
22 National City, Caltrans, and Paradise Marsh.

23 Under the direction of the Development Commission,
24 a harbor district area plan had been developed. It
25 includes conservation and development standards for this

1 and other properties of the North Harbor area.

2 You can see there was a lot of clean-up work to
3 get done. The original plan for the remediation of the
4 site was to regrade and stabilize the slope above Paradise
5 Marsh. Soils and construction debris on that slope had
6 levels of metals in excess of state hazardous waste
7 limits.

8 --o0o--

9 EXECUTIVE DIRECTOR LEARY: Materials removed from
10 the slope were to be consolidated and recovered in areas
11 above the slope.

12 --o0o--

13 EXECUTIVE DIRECTOR LEARY: As final plans were
14 being developed for remediation of the site, it was
15 realized that within a year after remediation, site
16 redevelopment would begin and would include construction
17 of a parking area with underground drainage and electrical
18 conduits which would penetrate the soil cover for the
19 contaminated soils.

20 --o0o--

21 EXECUTIVE DIRECTOR LEARY: Work began on the
22 remediation in October of 2004, but near-record rainfalls,
23 design changes, and contract funding delayed completion
24 until March 8th, 2006.

25 Work was accomplished by our solid waste clean-up

1 program, and one of the first steps of redevelopment in
2 the area, and returned the land to beneficial use with a
3 hotel, an office building, and a restaurant.

4 Some portions of the remediation cost will be
5 repaid to the Board by the Development Commission under
6 agreements with prior property owners and the new site
7 developer.

8 --o0o--

9 EXECUTIVE DIRECTOR LEARY: This is a great example
10 of the work we do with the Board and how our managed
11 cleanup projects are used in cases where such cleanups can
12 facilitate projects of public health and safety and the
13 environment and development -- and brown fill developments
14 desired by the local communities.

15 BOARD MEMBER MULÉ: Madam Chair, if I may.

16 I have -- I did have the honor of receiving this
17 proclamation from the City of National City to our Board.
18 So I did want to present it all to our Board members, and
19 just to let everyone know that it was -- the mayor and
20 council members are truly appreciative of not only the
21 funding, the money part of it, but also of the -- the work
22 that our staff has done in getting this -- this project --
23 this remediation project completed and putting this land
24 back to beneficial use.

25 So they are appreciative, and it was on honor,

1 really, to be there and receive this resolution on behalf
2 of the Board.

3 Thank you.

4 CHAIRPERSON BROWN: Thank you, Rosalie.

5 EXECUTIVE DIRECTOR LEARY: A couple other news
6 items.

7 We've had a couple of very successful conferences
8 over the last couple of weeks. The very successful LEA
9 and CIWMB conference was held earlier this month in
10 Monterey. It was the ninth conference and once again
11 reflected the truly outstanding partnership that we at the
12 Board feel with our LEA colleagues.

13 Over 300 people attended the conference, an all
14 time high. It included an entire day of sessions for tire
15 enforcement grantees and from initial feedback, it looks
16 like this was a very successful addition to the
17 conference.

18 Our core sessions on topics ranging from illegal
19 dumping to enforcement case studies, to post-closure land
20 use have already stimulated follow-up discussions on
21 future needs for more training and guidance.

22 I especially want to thank our staff and the LEA
23 Steering Committee for all their hard, behind-the-scenes
24 work that made the conference such a success.

25 Not to name names, but congratulations to Sharon

1 Anderson, Mindy Fox in the training session from P&E along
2 with Bob Davila and Steve Kent from information management
3 branch for their outstanding work.

4 The other conference, of course -- the Board was
5 all attended, I believe -- was the CRRRA conference, which
6 came the following week in San Jose. We seem to make it
7 to the South Bay quite nicely this month.

8 These events highlighted innovation and
9 technology, and the Board responded by showcasing a brand
10 new display booth that won the Board first place as most
11 interactive booth. The conference was a success, and it
12 was great to have participation of all our Board members
13 including cutting the opening ribbon of the conference.

14 I would like to thank the efforts of Roberta
15 Kunisake from the Office of Public Affairs, who helped to
16 organize our efforts at the conference, as well as members
17 from the U-waste, plastics, organics, and Office of Local
18 Assistance Team for helping answer questions and comments
19 at the booth.

20 Then, to go to the personnel news. On a couple of
21 sad notes, we're -- a couple of our most talented and
22 gifted staff, who have made significant contributions over
23 the history of the Board, are parting, leaving for greener
24 pastures. One being retirement and the other being a
25 promotion.

1 First of all, I would like to highlight Elsie
2 Brenneman, head of our budget office. Elsie joined the
3 Waste Board way back in 1992, when she was only 25 years
4 old. That was amazing.

5 Elsie began her career as a student assistant in
6 the Office of Public Affairs, working for Tom Estes, until
7 she wised up and left to go to Admin Services in Admin.
8 In November 1993, she was hired on permanently and
9 promoted to an office, as is usually the case for hard
10 work and attention to detail, launched her journey to the
11 professional ranks where she was promoted to a staff
12 services analyst.

13 In November '98, Elsie was wooed into the world of
14 budgeting, where she has been ever since. Elsie's
15 knowledge and experience has made her an asset to the
16 Board. She will be greatly missed.

17 It's now for a step in the career where she heads
18 to the budget unit at Caltrans with a promotion. She will
19 be a staff services manager II. So we want to wish the
20 best to Elsie and her career move. I personally enjoyed
21 working with you, Elsie, day in and day out. No matter
22 what the answer you gave me, I always believed you because
23 I know you were right on.

24 So as we slow for the cone zone, think of Elsie.

25 Good luck, Elsie.

1 (Applause.)

2 EXECUTIVE DIRECTOR LEARY: If you think Elsie's
3 been here a long time, Phil Moralez is retiring.

4 And Phil, I want to thank you. Where are you,
5 Phil? Somewhere out there?

6 Phil, I want to thank you for your great comments
7 at committee last week. That was a nice parting few
8 words.

9 But he's been with State of California, Integrated
10 Waste Management Board for 35 years. He's worked up his
11 way up the ladder of state service, starting as an SSA
12 like Elsie, and then with the State Personnel Board, and
13 currently he's a branch manager here at the Waste Board.

14 Phil's made a whole list of contributions, and I
15 don't mean to shortchange you, Phil, but in the interest
16 of time, I don't think there's a program that Phil hasn't
17 contributed to here at the Board. He's done promotes,
18 he's done used oil, he's done project recycling, and later
19 AB 75, implementation of state programs, and also worked
20 with City and County of L.A. and developing their very
21 comprehensive approach across 89 jurisdictions to comply
22 with 939.

23 So Phil, I know you welcomed me warmly when I
24 first came to the Board in '99, with the Office of Local
25 Assistance. It was a great help to me. Pat Schaivo's

1 right-hand man, and in many discussions over the years,
2 he's done terrific work with the Board. And we wish you
3 the best in your retirement, and we're all envious as
4 hell.

5 Good luck, Phil.

6 (Applause.)

7 EXECUTIVE DIRECTOR LEARY: And with that, Madam
8 Chair, I conclude my report.

9 CHAIRPERSON BROWN: Thank you.

10 BOARD MEMBER PETERSEN: Madam chair, excuse me.

11 I would just like to say to Phil, he's one of the
12 old-timers, and he was the first -- my --

13 CHAIRPERSON BROWN: Be careful how you say
14 "old-timer."

15 BOARD MEMBER PETERSEN: Okay.

16 Phil was my contract officer when I got my first
17 grant from this Board, back in 1978. And he used to come
18 down and follow me around, and asking, "What are you
19 doing?"

20 (Laughter.)

21 BOARD MEMBER PETERSEN: And anyway, we had a lot
22 of fun together, spent a lot of time at Mario's, having
23 pizza and beer, and figuring out how we're doing to do
24 this SB 650 recycling program. You're the best, and I had
25 a great time working with you. And the best to you.

1 Okay?

2 CHAIRPERSON BROWN: Thank you.

3 You run circles around me, so I don't know what
4 you're talking about the old-timers.

5 BOARD MEMBER PETERSEN: Okay. I knew that.

6 CHAIRPERSON BROWN: Elsie and Phil, thank you for
7 your incredible work at the Board, and we wish you both
8 the best.

9 Okay. Consent Agenda, Items 4, 5, 6, 7, 8, 9, 10,
10 17 revised, 18 revised, 19, 20, and 21 are on the consent
11 agenda.

12 Anybody wish to pull any consent agenda items at
13 this time?

14 BOARD MEMBER MULÉ: I would like to move the
15 consent agenda.

16 BOARD MEMBER PEACE: Second.

17 CHAIRPERSON BROWN: It's been moved by Member Mul
18 and seconded by Member Peace.

19 Kristen, can you call the roll?

20 EXECUTIVE ASSISTANT GARNER: Danzinger?

21 BOARD MEMBER DANZINGER: Aye.

22 EXECUTIVE ASSISTANT GARNER: Mulé?

23 BOARD MEMBER MULÉ: Aye.

24 EXECUTIVE ASSISTANT GARNER: Peace?

25 BOARD MEMBER PEACE: Aye.

1 EXECUTIVE ASSISTANT GARNER: Petersen?

2 BOARD MEMBER PETERSEN: Aye.

3 EXECUTIVE ASSISTANT GARNER: Wiggins?

4 BOARD MEMBER WIGGINS: Aye.

5 EXECUTIVE ASSISTANT GARNER: Brown?

6 CHAIRPERSON BROWN: Aye.

7 Items 1 Revised, 2 revised, and 16 are on fiscal
8 consent.

9 These matters will be taken up, in order, for the
10 discussion and action.

11 Item 14 was heard in committee only.

12 Items 3 originally -- the original item was pulled
13 for title replacement and corrected.

14 And Item 22 was pulled.

15 Item 13 was deleted.

16 And we will take items 3, 11, 12, 15, and 23 in
17 front of the full Board.

18 We're going to take Item 15 right now, out of
19 order, to accommodate our guests' travel, and then we'll
20 move to the fiscal consent.

21 (Thereupon an overhead presentation was
22 presented as follows.)

23 CHAIRPERSON BROWN: Are we ready to move to Item
24 15?

25 ACTING DEPUTY DIRECTOR SMITH: Yes, Board Chair.

1 Good morning, Board Chair Brown and members.

2 CHAIRPERSON BROWN: Can you hold for one minute?

3 ACTING DEPUTY DIRECTOR SMITH: For the record, I'm
4 John Smith, the acting deputy director for Waste
5 Prevention and Market Development.

6 Item 15 is a staff presentation on the Update on
7 Efforts to Increase the Use of Compost by Caltrans.

8 Board staff presenting this morning will be Brian
9 Larimore.

10 Also in the audience we have Jack Broadbent, a
11 supervising landscape architect, and Greg Balzer, senior
12 landscape architect, with Caltrans. They have worked very
13 closely with us on this project.

14 Brian?

15 MR. LARIMORE: I would like to thank John
16 Broadbent and Greg Balzer for this commitment to this
17 project. It's been great working with them.

18 Jack is from the Landscape Architecture Program,
19 the Office of Roadside Management and Landscape and
20 Architecture Standards. There's a long acronym in there
21 somewhere.

22 --oOo--

23 MR. LARIMORE: So what's the problem?

24 You know, why are we doing this project?

25 Well, compostable organics equal about 30 percent

1 of the disposed material going into our landfills. That
2 includes 14.6 percent food; 4.2 percent leaves and grass;
3 2.3 percent prunings and brunches; and 4.5 percent
4 textiles/carpet.

5 So obviously this is a huge potential to deal with
6 this material.

7 --o0o--

8 MR. LARIMORE: If we were able to divert that
9 30 percent of the material, which is 12 million tons of
10 the 40 million tons, that were landfills, that would
11 increase our diversion to 63 percent.

12 --o0o--

13 MR. LARIMORE: However, we would still have much
14 more material to deal with as -- in the future. We've got
15 burning phaseout material, material from diseases, such as
16 sudden oak death, and Southern California bark beetle.
17 We've got biosolids and dairy manure increasing, and
18 decreasing green waste due to population growth.

19 --o0o--

20 MR. LARIMORE: The Green Procurement Action Plan
21 addresses the organics problem. Organics is one of the
22 elements in the plan.

23 --o0o--

24 MR. LARIMORE: So some of the goals of the Green
25 Procurement Action Plan are to complete the project with

1 Caltrans to write compost mulch specifications. I should
2 mention that Caltrans does have some compost mulch
3 specifications already, but we revised those, to make
4 those a little bit better as far as project quality, and
5 to address other materials like compost blankets, filter
6 socks, and other specs.

7 These specifications will go into the toolbox, and
8 also we're trying to double the amount of compost and
9 mulch produced by Caltrans.

10 --o0o--

11 MR. LARIMORE: Caltrans has the potential to
12 greatly increase the compost and mulch purchases.

13 U.S. Composting Council study estimates that
14 Caltrans has a potential market for compost between 3.35
15 and 6.72 million cubic yards.

16 Now, this is a theoretical number. This is
17 really -- probably not realistic. This takes into account
18 all the acreage that Caltrans has authority over, which is
19 approximately 230,000 acres and assumes a 2-inch blanket
20 over that land. That would cost approximately
21 \$2.5 billion to do. So obviously, that may not be
22 realistic. However, there is still a great opportunity to
23 increase what they are doing. Just by increasing, let's
24 say up to 64,000 cubic yards or so, that's only a couple
25 hundred acres. So say two and a half million or

1 240,000 acres, they could maybe do, or 240,000 cubic yards
2 that could do for probably around \$10 million.

3 BOARD MEMBER PETERSEN: How much are they doing
4 right now?

5 MR. LARIMORE: Well, I will get to that, but
6 actually about 16,000 cubic yards as far as construction
7 through the first six months of 2006. However, that
8 doesn't include maintenance figures, which add a little
9 bit more. And this is just compost figures. They also
10 apply mulch.

11 --o0o--

12 MR. LARIMORE: So here are the figures from the
13 Caltrans Construction Database. As you can see, it was
14 relatively low in 2003, 2004 and picked up some in 2005
15 and even more in 2006.

16 As I said before, there are some problems as far
17 as the data that we're getting. I mean, it's something
18 I'm working on with Debra in Caltrans to try to increase
19 the accuracy of these figures. We got a lot of district
20 offices reporting the maintenance figures, but we also got
21 the construction database information, and we need to put
22 those together to get a truer picture of what Caltrans is
23 actually using.

24 CHAIRPERSON BROWN: How do they report?

25 I mean, just through their district office do they

1 provide a report? Is it similar to what they do with
2 recycled material?

3 MR. LARIMORE: Yes, the state agency --

4 CHAIRPERSON BROWN: So we only have as accurate an
5 information as their contractors provide, if the
6 contractors provide that information at all.

7 MR. LARIMORE: Yes, I believe so.

8 CHAIRPERSON BROWN: Okay.

9 --o0o--

10 MR. LARIMORE: So construction site sediment, this
11 is kind of where the Board and Caltrans' interests
12 intersect.

13 This is USEPA figures. Sediment is the number one
14 discharged pollutant, approximately 80 million tons per
15 year, which is 20 to 1,000 times more sediment than other
16 land uses. So obviously there's a great opportunity for
17 us to use compost and mulch to address the erosion control
18 problem and resultant sediment.

19 --o0o--

20 MR. LARIMORE: Compost and mulch has numerous
21 benefits.

22 We have two slides here. I'm not going to go
23 through all of them.

24 The ones that have most interest to Caltrans
25 obviously, the decreasing runoff and erosion, improving

1 roadside, re-vegetation establishment.

2 --o0o--

3 MR. LARIMORE: And its uses of filter medium to
4 filter pollutants, your filter sock, your tenants filter
5 berms, and the like.

6 --o0o--

7 MR. LARIMORE: This project is a partnership
8 between the Waste Board, Caltrans, UC Riverside extension,
9 and the compost industry.

10 We really consider Caltrans the client for this
11 project. We're using an association of compost producers:
12 U.S. Composting Council, and others, actually, as
13 technical support, including soil control, laboratories,
14 and lots of them.

15 --o0o--

16 MR. LARIMORE: The project goals basically are to
17 determine the barriers to increasing Caltrans' use of
18 compost.

19 --o0o--

20 MR. LARIMORE: So we look at addressing these
21 identified barriers. And all the other things listed here
22 are basically barriers that we are going to address.

23 And one of the most important things, I think, is
24 developing a collaborative relationship with the
25 stakeholders. We've got great people to work with, and

1 Jack and Greg have headed -- we developed some better
2 relationships, find some proponents, some champions, down
3 in the maintenance districts also, and we also need to
4 work with the Water Board, which we're kind of pulling in
5 too, because this has an application to storm water.

6 --o0o--

7 MR. LARIMORE: So what are the barriers to
8 increase compost use?

9 Well, cost is a big one;

10 Product quality;

11 Lack of compost specifications, or incorrect
12 compost specifications;

13 The compost and mulch producing infrastructure.

14 If we're looking at, for instance, to increase procurement
15 by Caltrans to 3 million additional cubic yards per year,
16 that would require doubling of compost infrastructure,
17 producing infrastructure.

18 We've got education also, and which I didn't put
19 on here is water quality concerns.

20 --o0o--

21 MR. LARIMORE: The current weighted average that
22 Caltrans faced is \$300 per cubic yard. That's a high
23 figure. That's because most of it is for hydroseeding,
24 which counts for approximately 90 percent of usage by
25 Caltrans.

1 So they have to use bagged materials a lot of
2 times on these machines, and of course that adds to the
3 cost.

4 So their goals are to reduce the cost to \$40 per
5 cubic yard applied, which require more bulk purchases,
6 less bagged, more compost blankets.

7 --o0o--

8 MR. LARIMORE: The product quality barrier; now
9 Caltrans has some bad experiences with compost. And part
10 of that is they didn't require the STA certified compost.
11 That is a U.S. Composting Council program, which requires
12 testing for various parameters and then reporting.

13 So that is going to be required for all compost
14 and mulch products.

15 --o0o--

16 MR. LARIMORE: One of the other barriers were --
17 there weren't many STA-approved composting facilities.

18 If you look at the red dots, that's what we have
19 now. A few months ago I think there was only three, so we
20 made an effort to get more of the facilities signed up for
21 this program. This map basically includes the different
22 districts, compost sites in green, and STA members in red.

23 We still have some work to do.

24 --o0o--

25 MR. LARIMORE: Compost specification barrier. As

1 I mentioned before, there was no requirement for
2 STA-certified compost. There were no specifications for
3 blankets, filter socks, or filter berms.

4 And all the specifications needed updating to
5 include other parameters as the requirement.

6 --o0o--

7 MR. LARIMORE: So the new revised compost
8 specifications, they required the STA program, STA
9 certified compost, so the composters that sell to the
10 Caltrans contractors will be required to give them a
11 compost technical data sheet, detailed certificate of
12 compliance, and lab test results, and that would include
13 all the information included on this slide, many of which
14 were not in the previous Caltrans specifications.

15 CHAIRPERSON BROWN: Do all of the -- have all 12
16 districts adopted these compost specs?

17 MR. LARIMORE: Well, headquarters adopts them and
18 then the entire state has to use them.

19 CHAIRPERSON BROWN: They do have to use them?

20 MR. LARIMORE: Well, I mean, they don't have to
21 choose to use, for instance, a filter sock; they can use
22 other methods of filtering material, but if they are going
23 to use, for instance, filter socks, they would have to use
24 the specifications developed for the product.

25 CHAIRPERSON BROWN: Okay.

1 MR. LARIMORE: Does that make sense?

2 CHAIRPERSON BROWN: Well, it does.

3 I'm just wondering whether all 12 districts are
4 using these specs and whether it's improving the usage of
5 mulch and compost from this program.

6 MR. LARIMORE: Well, we have just --

7 CHAIRPERSON BROWN: I'm thinking of RAC.

8 MR. LARIMORE: Right.

9 CHAIRPERSON BROWN: And each district adopts their
10 own specifications for materials and they don't have to
11 adhere to the same, from district to district.

12 Is that not the same with mulch and compost?

13 ACTING DEPUTY DIRECTOR SMITH: They do have to
14 follow the specifications throughout the state. And
15 that's part of what we're going to be doing through
16 workshops that are coming up is going out and meeting with
17 the design and maintenance staff throughout the state and
18 going over these specifications and, you know, trying to
19 promote more use of these materials.

20 CHAIRPERSON BROWN: So they do mostly in-house
21 maintenance. They don't contract out to independent
22 contractors?

23 MR. LARIMORE: Well --

24 CHAIRPERSON BROWN: They give them the specs and
25 let them choose how they...

1 MR. LARIMORE: Well, design uses Caltrans
2 contractors, and I believe maintenance may do some of the
3 it themselves.

4 Greg can probably answer that.

5 CHAIRPERSON BROWN: Well, I'm sure we have a lot
6 of questions for you guys. And we appreciate you being
7 here so we'll -- we'll stop asking questions during the
8 presentation and letting you guys start.

9 Thank you.

10 --o0o--

11 MR. LARIMORE: Okay.

12 Part of this project was development of the ACP
13 Compost Index, basically to help compost users identify
14 products quickly that meet their particular needs, to
15 match compost products and specific applications.

16 --o0o--

17 MR. LARIMORE: So I don't know how much you want
18 to go through this. It's currently complex, but many
19 different parameters measured to -- let's move on here.

20 --o0o--

21 --o0o--

22 --o0o--

23 --o0o--

24 --o0o--

25 MR. LARIMORE: So what do compost-based BMPs do?

1 Well, there are a lot of concerns at Caltrans regarding
2 erosion control and storm water quality, reduce runoff
3 volume, reduce runoff rate, improve infiltration, improve
4 soil fertility and improve vegetation establishment.

5 --o0o--

6 MR. LARIMORE: I'm going to go through the new
7 specifications of hydroseeding, which is basically about
8 90 percent of what Caltrans uses compost for, right now.

9 You got Type C, Type D. It's basically very fine
10 material, bagged, sprayed on with seeds and other
11 materials.

12 --o0o--

13 MR. LARIMORE: Backfill, probably only 1 to
14 2 percent of what Caltrans uses. This is basically for
15 container plants.

16 CHAIRPERSON BROWN: I think you have a question?
17 Pat?

18 BOARD MEMBER WIGGINS: What is hydroseed?

19 MR. LARIMORE: It's basically a mixture of seed.
20 You have some compost mixed in there, which is only about
21 1/64th of an inch, and it has something called tackifier
22 that holds it down. They spray it on the surface, the
23 seeds, and then you water it and the grass will come up.

24 BOARD MEMBER WIGGINS: So it's for grass?

25 MR. LARIMORE: Yes, grass seed generally.

1 BOARD MEMBER WIGGINS: Oh. Okay.

2 That doesn't seem very environmentally friendly.

3 CHAIRPERSON BROWN: We'll let the Caltrans people
4 respond to that.

5 --o0o--

6 MR. LARIMORE: Now, here's where we hope to make
7 some headway with blankets. Instead of using 1/64 of an
8 inch, you use two inches. It's 128 times more material,
9 and this is something Caltrans is just trying to do.

10 --o0o--

11 MR. LARIMORE: So instead of 2 yards per acre,
12 which hydroseed would use, this would use 275 cubic yards
13 per acre.

14 So the extra 64,000 cubic yards would cover
15 approximately 220 acres with a two inch blanket would cost
16 2.4 million. So we've got incorporated blankets, and not
17 incorporated, you dig it down to about 18 inches for
18 incorporated compost, and then you would plant on top of
19 that.

20 Not incorporated is basically a loose layer placed
21 on top of the surface.

22 --o0o--

23 MR. LARIMORE: Another use is a filter berm.

24 It's placed perpendicular to the flow of water,
25 and water runs through it, and the compost filters out

1 sediments, pesticides, and other things.

2 There really hasn't been a lot of use of filter
3 berms across the state. And I'm not sure how much
4 potential there is. As I said before, blanket compost are
5 starting to make headway.

6 --o0o--

7 MR. LARIMORE: We got biofiltration strips, which
8 is basically a vegetated layer that the water moves
9 through, the sediment settles out, will trap pollutants.

10 Caltrans, I think, has approximately 150 of these
11 types of applications throughout the state.

12 --o0o--

13 MR. LARIMORE: Biofiltration soils, similar.

14 --o0o--

15 MR. LARIMORE: And then of course, mulch. Mulch
16 generally is used -- large material, woody material, to
17 keep down the weeds. It lasts a few years, so we are
18 going to have to replace it every two or three years.

19 --o0o--

20 MR. LARIMORE: We've got drill seed. It's
21 basically used on highway medians, flat areas, and we'll
22 punch into the ground and then place seeds.

23 --o0o--

24 MR. LARIMORE: And then filter sock, you see how
25 effective this is at keeping the sediment back. This

1 could be used in place of silk fence or straw. Bale
2 barriers are actually much more effective.

3 --o0o--

4 ACTING DEPUTY DIRECTOR SMITH: Another barrier --
5 education barrier.

6 We need to correct misinformation such as compost
7 mulch not suitable for steep slopes. Some people believe
8 compost isn't suitable for native plants. We found that
9 actually to be wrong.

10 There are some concerns as far as storm water.
11 Rolling out new revised specifications, we're going to do.
12 We're going to educate Caltrans staff and its contractors
13 on the new BMPs.

14 We're producing a Compost Applications Best
15 Practices Manual, which is to help the contractors and
16 other local government, and follow up.

17 --o0o--

18 MR. LARIMORE: So the Compost Applications Best
19 Practices Manual is designed primarily to be used by
20 Caltrans and its contractors.

21 It ties into the compost classification system and
22 Caltrans occasions.

23 So basically this will have the Caltrans
24 specifications in it. It will talk about the different
25 types of applications: filter socks, how to use those,

1 other sources and information.

2 --o0o--

3 MR. LARIMORE: We've got the Caltrans workshops
4 coming up, in August through October.

5 We've -- actually in L.A., we've got, I think,
6 over 50 people signed up already, so there's a lot of
7 interest. Hopefully we can meet some people, form
8 partnerships with them, and I think this is something
9 that's we're going to need to continue to work on; it's
10 not a one-time only deal.

11 And I think we need to build the relationships and
12 continue this type of effort, this type of education. So
13 we're doing Los Angeles, August, 22nd; San Diego, 24th;
14 Oakland in September; and then Sacramento, October 1.

15 --o0o--

16 MR. LARIMORE: So we need to also track results
17 and follow up. We're going to try to get a better handle
18 on what Caltrans is actually using so we can measure our
19 success in increasing use.

20 And last -- last off, we're going to develop
21 recommendations on further increasing compost use by
22 Caltrans. This includes recommendations such as
23 continuing this type of effort in the future.

24 --o0o--

25 MR. LARIMORE: And for further information on the

1 organics workshops.

2 --o0o--

3 MR. LARIMORE: Any questions?

4 CHAIRPERSON BROWN: Thank you.

5 Does anybody have any questions?

6 Pat?

7 BOARD MEMBER WIGGINS: Is this too complicated for
8 Caltrans?

9 ACTING DEPUTY DIRECTOR SMITH: No, I don't believe
10 so. We got a lot of engineers and landscape architects.

11 BOARD MEMBER WIGGINS: I mean, you know, because
12 we're putting new standards in place and all of that. I
13 mean, we want them to use compost, and I think we want
14 them to use native vegetation rather than -- you know, as
15 much as possible.

16 Because in Phoenix, they use native vegetation,
17 lots of compost and gravel and asphalt, rubber asphalt
18 freeways. They are the leader.

19 And actually, you know, Caltrans is really, really
20 slow in bringing this all forward.

21 So congratulations on trying to beat them over the
22 head.

23 (Laughter.)

24 MR. LARIMORE: Well, you know, we've had -- we
25 welcome a good partnership with them. We need to -- we

1 got the right people up here. We just need to find the
2 right people in the districts.

3 And I think what would help too is we've got the
4 people -- the staff people is to get buy-in from upper
5 management.

6 CHAIRPERSON BROWN: We're working on that.

7 Rosalie has a question, and then we'll invite up
8 the Caltrans.

9 BOARD MEMBER MULÉ: Actually, my question is from
10 the Caltrans folks, so if you want to come on up.

11 CHAIRPERSON BROWN: Jack and Greg.

12 BOARD MEMBER MULÉ: Greg and Jack, first of all, I
13 want to thank you very much for all of your work. I want
14 to thank staff for the outstanding job you've done on this
15 project. I think this is a huge step forward. Knowing
16 that you've been working -- attempting to work with our
17 sister agency for many years on this, and it seems like
18 we're there, finally.

19 And again, Greg and Jack, I want to thank you for
20 your leadership on all of this.

21 I do just have a couple of questions, and I think
22 Chair Brown had started going down that path.

23 We've developed the specs. Will the districts be
24 required to use those specs when, you know -- when doing a
25 project?

1 MR. BROADBENT: And thank you for having us.

2 And before I answer the question, I do want to
3 thank Brian and Ken Decio. Thank you very much.

4 CHAIRPERSON BROWN: Can you state your name for
5 the record.

6 MR. BROADBENT: Yeah.

7 My name is Jack Broadbent. I represent the Office
8 of Roadside Management and Landscape Architecture Program.

9 And the relationships's been very good. I know
10 you have been a little bit frustrated with us and our
11 reporting on use of compost. Some of the challenges --
12 and the question is, what is compost? And depending on
13 how that question's pitched, we'll give you a different
14 answer. And you will see our numbers reflect -- reflect
15 that.

16 Our specifications, Greg has been working really,
17 really diligently, and in fact we kid around the office
18 that he should answer, "Integrated Waste Management Board"
19 when he answers the phone. But he has -- he's gone
20 methodically through our specifications, and worked with
21 industry and worked with, of course, Brian and Ken, and
22 changed the specs, and that will modify our applications
23 considerably, with the work you've been doing to stabilize
24 the industry, so when we say "compost," we know what we're
25 going to get.

1 And our specifications -- I know you're looking
2 toward us as the leader for the state with our
3 specifications. And they are there. They need to go
4 through a formal process, you know, with Federal Highway
5 Administration to do a final review, and then they do get
6 posted as a statewide standard specification that all of
7 our designers are to use, or Greg has to sign a letter
8 saying, "I approve your nonstandard spec," which is
9 currently the way we go through our process now. A little
10 different than the RAC program. So that's our specs.

11 If I can, Pat, touch base on what we do, my job is
12 to revegitate the roadsides in Caltrans when we do a
13 highway construction. And we have a lot of different
14 balancing acts.

15 One of the things that I like this partnership to
16 do is compost and my roadside. I don't have very good
17 roadside soil. I can't grow the right native plant
18 material or even the right plant material on the roadside.
19 So I'm looking at this compost connection to help me
20 develop soil that I can plant and grow the right type of
21 plant species on the roadside.

22 So on a bigger picture, that's what we're looking
23 at.

24 BOARD MEMBER WIGGINS: So you are looking at
25 native plants?

1 MR. BROADBENT: Absolutely.

2 BOARD MEMBER WIGGINS: Oh, good, good, good.

3 MR. BROADBENT: I was just on the phone with
4 Bonnie Harper-Lore who is a federal highway administration
5 representative with -- she's really into native plants for
6 the whole nation, and we're looking at some different
7 programs that may help us there.

8 Our challenge in the Department is we've got water
9 quality issues; we've got maintenance; we've got design;
10 and we've got construction.

11 But we represent the landscape architecture side
12 of design, and so when you talk to us, sometimes depending
13 on who you talk to in the Caltrans program, you're going
14 to get different answers based on where you're coming
15 from. Just so you recognize those differences.

16 Some of the other questions?

17 BOARD MEMBER MULÉ: I had another question.

18 And then as far as reporting the use, I believe
19 under AB 75, you're required -- each district is required
20 to report the usage of different types of compost and,
21 you're right, it was difficult to report, because we
22 didn't have some clear definitions as to what these
23 various products were, and now we have that.

24 So I take it now that each district, through their
25 contractors, or directly, will report directly out to you,

1 and then you in turn report to the Board the use of
2 Caltrans.

3 So again, this goes back to our tracking of the
4 increase of use of these products, and so am I correct in
5 making that statement?

6 MR. BROADBENT: Correct.

7 And the maintenance program does their reporting
8 on what they use, and then Greg pulls the numbers in from
9 what was applied with construction. It is a pretty
10 accurate database in construction we pull from.

11 BOARD MEMBER MULÉ: Again, I want to thank you all
12 for your efforts.

13 And I neglected to mention ACP, Association of
14 Compost Producers, for all of their participation, as well
15 as UC Riverside. I just want to thank everybody again.

16 This is, I think, a huge breakthrough, a huge step
17 forward in terms of developing markets for -- viable
18 markets for organics, which still makes up 30 percent of
19 our waste stream, so thank you.

20 MR. BROADBENT: And while I have the mic, Elsie,
21 welcome to Caltrans.

22 Is she still here?

23 (Laughter.)

24 MR. BROADBENT: Thank you.

25 CHAIRPERSON BROWN: We're going to make it hard

1 for her to leave.

2 Member Petersen?

3 BOARD MEMBER PETERSEN: Hold on, guys.

4 This is grand. And finally, this is getting off
5 the ground, and we were wondering about this a long time
6 ago. So when you guys take the hit here and make the
7 composting market grow, it's going to happen.

8 Now, my question is, you own a lot of property
9 around the state, and my brain's just going market
10 development, market development, places where we can put
11 these composting facilities.

12 Now, I might be off base here, but you know, I've
13 helped site the composting facilities. It's no fun.

14 And so I was wondering, is that part of your
15 market plan? Are you guys looking to help facilitate
16 that? Or has anybody asked you about that?

17 MR. BROADBENT: No.

18 BOARD MEMBER PETERSEN: No.

19 MR. BROADBENT: We -- what we're doing is working
20 on the specifications that will hopefully drive the
21 industry.

22 BOARD MEMBER PETERSEN: So is there somebody in
23 the department that you, you know, talk to about access
24 lands.

25 MR. BROADBENT: That would be our Right of Way

1 Department.

2 BOARD MEMBER PETERSEN: Right of Way?

3 And is there somebody we could talk to about that?

4 MR. BROADBENT: Bimla Rhinehart runs the Right of
5 Way.

6 BOARD MEMBER PETERSEN: Could we -- I just wanted
7 to see -- and some of that stuff has got to be -- when we
8 do composting, it's got to be way out of here, and then we
9 got to bring it way in here. It's a mess, I know, because
10 the transportation costs are nuts. But just a thought.
11 Okay?

12 Could we follow up on that, if we have a chance?

13 ACTING DEPUTY DIRECTOR SMITH: Yes, we will.

14 BOARD MEMBER PETERSEN: Great, guys. Thank you
15 very much. Good job.

16 CHAIRPERSON BROWN: Don't go anywhere, Jack and
17 Greg. We still have questions for you.

18 BOARD MEMBER PEACE: It's not really a question.

19 I just want to also thank you for working so
20 cooperatively with us. I know it's kind of been a long
21 time coming. It seems like we're finally there. We look
22 forwarding to a continued working relationship with
23 Caltrans. I know you're a big organization. Sometimes
24 it's hard to get everything filtered down, but I know you
25 guys will keep pushing for that, because when sister

1 organizations, agencies work together, it's better for the
2 whole state.

3 So we really appreciate it. So thank you.

4 CHAIRPERSON BROWN: Likewise. I can agree with
5 that.

6 And I did have a question, and this is probably
7 Greg, so you will need to state your name for the record,
8 when you answer. But under what type of circumstances
9 would you grant a waiver for using these specifications?

10 MR. BALZER: My name is Greg Balzer, B-A-L-Z-E-R.

11 Usually -- okay. So the standard process for the
12 specs, basically the districts have to use them without
13 any edits at all. Any minor or major edits, they've got
14 to get concurrence from our office. And so I review those
15 non-standard requests and concur with them.

16 CHAIRPERSON BROWN: Why would you want to agree to
17 non-standards?

18 MR. BALZER: Yeah. And really, Caltrans believes
19 in standards mainly because landscape architects and civil
20 engineers work best when they can just pull a book off the
21 shelf and turn to page 45, and pull out that spec and put
22 it on a project. So for deliverly purposes and all the
23 rest, we try to get them to use the standard specs.

24 Just thinking out loud on this is that maybe
25 somebody might choose to -- you know, I could see where a

1 district might want to perhaps -- right now, we're got
2 three feed stocks in our spec. We've got biosolids, we've
3 got green material, and we've got cow manure as the three
4 feed stocks. And a district might want to perhaps --
5 maybe their local area has an aversion to one particular
6 feed stock, let's say biosolids they might choose to, you
7 know, modify the feed stock portion to disallow a certain
8 feed stock, due to local constraints or --

9 CHAIRPERSON BROWN: Education barriers, maybe?

10 MR. BALZER: And that's a big education barrier
11 too.

12 And what I'm hoping is that by relying more on the
13 STA process and on the testing as part of that, I can say,
14 you know, what shouldn't be an issue. We've got a
15 certificate of compliance that indicates that all these
16 parameters have been tested for.

17 So but I think we're pushing the envelope by
18 getting these out there. And by and large, I think
19 probably 95 percent of people use the specs as they are
20 written, verbatim. And probably the biggest challenge is
21 not so much getting them to not edit the spec as to use
22 the spec at all. And I think these workshops are really
23 going to help basically promote that, by getting the word
24 out that we've got these specs, here's what the project
25 does, get it and use it.

1 Most landscape architects are -- their problem is
2 not being non-creative; usually they are the ones that
3 tend to go outside the bounds of normalcy, and they like
4 to edit things. And so I'm pretty certain as soon as I
5 roll those out, they are going to be using them right and
6 left, because they like trying new things. That's just
7 their nature.

8 CHAIRPERSON BROWN: Gary actually touched on a
9 good question, which is the infrastructure, and I noticed
10 on the map that you pulled up where the compost -- AST
11 compost facilities are; they are mostly northern
12 California, and not Southern California, where you
13 probably have a majority of the Caltrans projects.

14 But my question is, where do you get your bagged
15 mulch? I mean, is that shipped -- is that supplied
16 regionally, or is that shipped from out of state? Or -- I
17 mean, would the barrier of the compost infrastructure be
18 something that you would grant a nonstandard exemption for
19 and do you take into consideration where they would be
20 shipping a bagged material from -- that they would use
21 previously?

22 MR. BALZER: Right now, my understanding is that
23 the bagged material is produced mainly by Hydropost, and
24 it's sold through our two or three major seed vendors in
25 the state, and so most of the Hydropost is coming out of

1 those suppliers. So there might only be two or maybe
2 three locations in the state, geographically where they
3 are receiving that material from.

4 So maybe that's why it's costing 300 bucks a yard
5 for us to buy that stuff too.

6 But probably I'm most worried about now the San
7 Diego area. There appears to be -- we have a lot of jobs
8 in that part of the state going on right now that are
9 pretty large. So I think we need to keep working with ACP
10 and USCC to get more people into the program.

11 CHAIRPERSON BROWN: I guess that was the crux of
12 my question is, hopefully they won't get a none -- or get
13 an exception just because the infrastructure when I assume
14 that there's not the same material available statewide.
15 You know, if you pay \$300 a cubic yard for one material
16 and probably a lot of that's factored in for
17 transportation and shipping costs that -- anyway.

18 MR. BALZER: I have yet to run into a situation
19 where a designer is told that there's a problem with
20 availability of compost.

21 CHAIRPERSON BROWN: That's good, or that's bad;
22 depends on your perspective.

23 MR. BALZER: And I think we'll find out many when
24 we roll these out, and we'll see what kind of feedback we
25 get.

1 CHAIRPERSON BROWN: Thank you, Greg.

2 We do have two speakers. I don't know, some
3 questions may be for you guys, but we'll let you off the
4 hot seat for now.

5 Evan Edgar.

6 MR. BROADBENT: Thank you.

7 MR. EDGAR: My name is Evan Edgar. I'm a civil
8 engineer for the California Refuge Removal Council.

9 This is 15 years in the making, so this came long
10 way, so we congratulate the progress we made since 1991,
11 since me and Matt Cotton and Will Bakx, back there in our
12 early California Compost Quality Council days, have been
13 working with Caltrans. We've been involved in the
14 specifications; we've been involved in the market
15 development.

16 I represent 15 different compost facilities
17 statewide, and we have a compost infrastructure. I think
18 Matt Cotton reported for this board, back in 2003, showing
19 ten thousand -- I mean, 10 million cubic yard of organics
20 out there, with less than 1 percent being used by
21 Caltrans, and it still looks like it's less than
22 1 percent, 16,000 cubic yards, per year. But it depends
23 who do you talk to in Caltrans.

24 During the SB 1345 Chesbro bill, which we upon
25 sponsored, CRRC, we talked to one person in Caltrans.

1 They sent a thousand dollars a ton to apply compost. You
2 talk to other people at Caltrans, it's 300 cubic yards a
3 ton, but Will Bakx back here can do it for 60 to 80 bucks
4 a ton. So we know that we can -- and people I talk to, in
5 my organization, can't bring compost and apply it for you
6 should a hundred bucks a ton every day, no matter where in
7 California.

8 And our guys, you know, we talk about bag versus
9 bulk, we're the bulky guys.

10 (Laughter.)

11 MR. EDGAR: We buy bagged compost. We don't go to
12 Home Depot. Caltrans shouldn't go to Home Depot. Because
13 we have bulk compost statewide; we're ready to go.

14 So after 15 years, we're proud to be here today to
15 buy bulk, not in a bag, and green procurement, one of the
16 big questions that Ms. Cheryl Peace always asks, about
17 it's not just about Caltrans anymore. With a green
18 procurement going down the local level, we see lots of
19 opportunities with Parks and Recs and county and city
20 public works, and that the trickle down effect would even
21 bolster the amount a lot more.

22 We have an estimation that we can move a million
23 tons of compost to Caltrans by 2010, a million-ton march;
24 and I thought we could do that, because on a roadside
25 acreage, in a U.S. Composting Council report, it's

1 25,000 acres that they maintain, but if you look at the
2 report a little deeper, Brian's 25,000 acres which it
3 focused on. And we believe that we had a good bill this
4 year, with the Chesbro bill. It's in suspense and will
5 stay there. But this work specifications and with
6 accountability, I think Ms. Mulé had a good point there
7 about accountability and recordkeeping. The legislative
8 audit just came out about Caltrans on a cycle of average
9 base rock.

10 Two years ago we were big sponsors of the Nava
11 bill to recycle aggregate base rock into Caltrans. They
12 had no records. They couldn't know what happened. We
13 don't know.

14 Same issue with compost. A lot of not knowing. A
15 lot of misinformation and the bills died in committee
16 because of the cost. And with good recordkeeping, I
17 believe that Caltrans bought into each and every
18 recommendation the Legislative Audit Bureau recommended
19 with regards to recordkeeping and accountability on the
20 job site per district.

21 And working up here in the -- in the statewide
22 level headquarters, we hear the right messages sometimes,
23 but in district, with all those district civil engineers,
24 we don't get the right answers or implementation.

25 So following the recommendations of the

1 Legislative Audit Bureau for recycled aggregate base rock,
2 it would be nice to have those same recommendations roll
3 over to compost use. That would be a great day.

4 Fifteen years later, I came a long way, but I'm
5 proud to be here today.

6 Thank you.

7 CHAIRPERSON BROWN: Thank you Mr. Edgar.

8 Does anybody have any questions?

9 BOARD MEMBER WIGGINS: Just compliments to the
10 speaker on the way to go.

11 BOARD MEMBER PETERSEN: Nice goin', Evan.

12 CHAIRPERSON BROWN: Our next speaker is Matt
13 Cotton, U.S. Compost Council.

14 MR. COTTON: Good morning, Madam Chair and members
15 of the Board.

16 Just a real quick thank you to -- I'm Matt Cotton
17 U.S. Composting Council, President of the Board of the
18 U.S. Composting Council.

19 We're very proud and pleased to work with the
20 Board and staff on these upcoming Caltrans workshops.

21 Just want to echo Evan's optimism and enthusiasm.
22 It has been a long road. I think we are finally at the
23 beginning of where we need to get the right people. I
24 want to thank Greg and Jack for showing up and doing all
25 that hard work, and Greg spent a lot of hours on this. I

1 think we're talking to the right people.

2 Certainly, Ken and Brian and staff have done an
3 outstanding job getting to the right people. I think
4 we've shown -- we can do a really great workshop, but it
5 doesn't matter. People don't show up, as I understand it.
6 All the workshops we have now are getting close to
7 overbooked with mostly Caltrans folks as well as
8 composters, so it's a great start. I'd love to encourage
9 the Board to do another five workshops. It's a really big
10 state.

11 And the questions apply -- I want to address that
12 quickly. I think that's one of the area where Greg may
13 find himself writing an exception. Back in the early days
14 with John Haynes who really started this effort with
15 Caltrans, I used to get called about once a quarter
16 saying, "Okay. Matt, I'm up in Modoc. Where's the
17 composter?"

18 And that is an issue. We've got about a hundred
19 composting sites in the state. Only about 10 of those are
20 STA certified. We're going to do as hard a job as we can
21 as the U.S. Composting Council. We're going to do
22 outreach to the remaining facilities to get them on the
23 burner. This is going to be a carrot and stick,
24 chicken/egg thing, I think, as these specs come out, as
25 these people come out and say, "Yeah, that's of value to

1 me."

2 I was chatting with my good friend, Steve Grealy
3 there from the City of San Diego. He was saying, "Yeah,
4 we've got to get that STA program, and really work with
5 this." It's a great thing. So I really wanted to commend
6 the Board for this. Hope we can do more workshops, get
7 more of this out there. It's not going to solve all of
8 our market develop problems, but it's a really great step
9 in the right direction.

10 Thank you.

11 CHAIRPERSON BROWN: Thank you, Matt.

12 Does anybody have a --

13 BOARD MEMBER MULÉ: Madam Chair, I just want to
14 respond to the -- it's not going to solve the problem, but
15 as Evan mentioned, it's a trickle down effect to the local
16 jurisdictions. And we've been hearing time and time again
17 from local jurisdictions, "We're waiting for Caltrans
18 specs," or "We follow Caltrans specs."

19 So again, this not only, you know, the
20 responsibility is not just on Caltrans to use it, but now
21 the local jurisdictions as well have those standards
22 that -- that have been needed and missing for all these
23 years.

24 And so again we're hoping to see that trickle-down
25 effect to the -- to the local jurisdictions as well.

1 MR. COTTON: I think you're dead on.

2 I also wanted to highlight, this is part of the
3 larger story, nationwide, of State Department of
4 Transportation light taxes, which is the golden child of
5 state DOT using over a thousand cubic yards of compost.
6 That was probably in 2004. I'm not sure where their
7 numbers are. But that was a -- about a five-year process
8 to get to that point.

9 So again, although Evan and other folks have been
10 working on this, and staff, for a long, long time, we're
11 just at the beginning. We're going to see better numbers,
12 more accountability, better uses, more and new innovative
13 uses.

14 And I think you're absolutely right. The cities,
15 the counties, will say, "Hey, it's in the Caltrans Green
16 Book. We're going to use that spec. We're going to try
17 this." And there are some great results.

18 I know the Board is also doing some work with San
19 Diego State and others to look at erosion control
20 substances, so all great stuff and I want to thank you for
21 that.

22 CHAIRPERSON BROWN: Thank you, Matt.

23 BRANCH MANAGER FRIEDMAN: Madam Chair?

24 CHAIRPERSON BROWN: Yes.

25 BRANCH MANAGER FRIEDMAN: No, this is Judy

1 Friedman with the Organics Use Efficiency Branch.

2 I just wanted to add on to that comment. We
3 already presented this same information at the CRRA
4 conference, where of course the primary focus is local
5 government representatives. And our audience was, you
6 know, packed and lots of questions and lots of interests
7 in this from the local government side of things.

8 So already, we're seeing the benefits of that with
9 local government interests, plus as Brian mentioned, it's
10 going into the Green Procurement Action Plan toolbox, and
11 information that we share when we go out with the Ogilvy
12 project. Whenever we go, we're talking about these
13 specifications and these workshops.

14 So I already see great things coming at the local
15 level, and hopefully we'll continue to do that.

16 CHAIRPERSON BROWN: Thank you, Judy.

17 Any other comments from the Board?

18 Thank you all very, very much.

19 Jack, Greg, we appreciate you being here answering
20 questions for us, and thank again for working with our
21 staff on this coordinated effort, and we're looking
22 forward to great reporting and great results.

23 Thank you.

24 Now we will move to our fiscal consent agenda.

25 First item under fiscal consent is Item 1,

1 revised, from the Special Waste Committee.

2 Mr. Lee, welcome back. We missed you.

3 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

4 CHAIRPERSON BROWN: A very efficient committee
5 meeting. We have some great grant programs to hear about
6 from the Special Waste Committee, this month.

7 So I will turn over to you for Item No. 1,
8 revised.

9 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.
10 Good morning, Board members.

11 My name is Jim Lee, deputy director for the
12 Special Waste Committee.

13 Board Item 1 is Consideration of Scope of the
14 Grant Awards from the Household Hazardous Waste Grants,
15 15th Cycle, Integrated Waste Management Account, Fiscal
16 Year 2006.

17 This item is a keystone in the Board's
18 implementation of the -- the Board's Universal Action
19 Plan, the Personal Waste Action Plan.

20 The criteria for this grant award allowed for the
21 provision of maximum available fund support to assist
22 local jurisdictions with their U.S. waste collection and
23 recycling efforts.

24 It also includes a unique fund set aside for
25 planning and coordination grants to encourage and

1 facilitate discussion of new waste issues by regional
2 jurisdictions.

3 Several of the grantees recommended for award have
4 elected to initiate or support Take-It-Back programs
5 incorporation with retail partners. Hopefully this will
6 provide a foundation for expanded consideration and public
7 support of the concept of retail take-back, product
8 stewardship, and ultimately manufacturer responsibility.

9 This item is heard by the Special Waste Committee,
10 and recommended for fiscal consent. There were, however,
11 some requests by Board members for expanded product
12 descriptions, which have been provided in a memo sent to
13 the Board and which is available to the Board public, in
14 the back of the room.

15 Unless there's any questions, staff requests that
16 the Board approve Resolution 2006-148 as revised.

17 CHAIRPERSON BROWN: Thank you, Mr. Lee.

18 Questions?

19 Member Peace?

20 BOARD MEMBER PEACE: I don't necessarily have any
21 questions, because I asked enough of them in the committee
22 meeting.

23 I do want to thank staff for the expanded
24 descriptions. You know, that does help me see a little
25 bit more what's going on.

1 I do realize that the u-waste Take-It-Back
2 programs are at their infancy stage, so what I hope is
3 that from this program, that we'll pay, you know, close
4 attention to the successes and the failures and the cost
5 breakdown information that comes in, in the next two or
6 three -- next one or two years, so we can evaluate and
7 compare the program to see where we might need to set some
8 cost parameters or best practice guidelines or future
9 household hazardous waste grant cycles, so that we, and
10 ultimately the jurisdictions, all get the best bang for
11 our buck.

12 DEPUTY DIRECTOR LEE: Ms. Peace, if I may, I would
13 like to say, certainly, I'm sure you're aware that the
14 Special Waste Division is a strong advocate for cost
15 effectiveness and cost efficiency in all of our programs,
16 perhaps, you know, most clearly in your entire program.

17 I think you mentioned in your opening remarks,
18 there, that we're right at the inaugural phase, right at
19 the initiation of a lot of these u-waste programs.

20 We really don't have a good database of, you know,
21 exactly what are acceptable costs. But you know, we hope
22 through an establishment of these particular projects to
23 start building that database. And as soon as possible we
24 expect again to introduce, you know, cost effectiveness
25 criteria, you know, as part of our ongoing programs.

1 So we certainly support that -- that proposal.

2 CHAIRPERSON BROWN: Do we -- have we in the past
3 provided information and feedback, as I know we audit our
4 grants as they go through. We talked about this during
5 the committee. Would that kind of information be posted
6 on the Web site for other jurisdictions that are looking
7 for innovative programs to see, say, how San Luis Obispo
8 or Moorpark is doing with their Take-It-Back partnership
9 with some of the retailers are -- you know, as we go,
10 since these are, you know, multi-year grants, you know,
11 three years down the road could be a significant time
12 lapse for some jurisdictions to get going.

13 Do we post comments, maybe like interactive
14 comment, question and answer for local jurisdictions?

15 DEPUTY DIRECTOR LEE: Let me ask my -- Kristin Yee
16 and Bonnie Cornwall or staff come up to provide some more
17 statistics on this.

18 I think we're trying to do a better job on that,
19 right now. You know, through our conference, you know,
20 which I know you've had the pleasure to attend we've been
21 trying to recognize those jurisdictions that are doing the
22 best jobs, have the most cost effective programs, and to
23 try and utilize these as models that the others can -- can
24 utilize.

25 Do we have any quick -- you we wanted to add on

1 that?

2 MS. CORNWALL: Yeah. I wanted to note that our
3 staff does routine project of managing the grants. We do
4 a, what we call, Grant Evaluation Report, which we're in
5 the process of trying to integrate into the online grant
6 management system. In terms of posting the progress of
7 projects while they are in progress, we don't generally do
8 that. The grant manager interacts directly with the
9 grantees based on their management of other grants, helps
10 them with here's the best practices; here's what's worked
11 elsewhere. That's why our staff spend a lot of time in
12 the field, trying to work with the grantees to improve
13 their programs.

14 In addition, at the end of each cycle, we develop
15 project profiles, which are posted on our Web site, of the
16 most successful programs, and those are currently on the
17 Web site, and it's something we're looking to expand.

18 CHAIRPERSON BROWN: I guess Cheryl just raised a
19 point that, you know, this is an infancy program. It was
20 oversubscribed; there's more people than we were able to
21 find. So there's definitely a need out there. And it's a
22 multi-year grant cycle.

23 So I guess what I was thinking more is, like, an
24 online chat room, if they were able to post a question,
25 where HHW facilities said, "Hey, we're trying to handle X.

1 Does anybody out there have, you know, a program that's
2 been successful to help us with this kind of program?"

3 Because I know you're great at auditing programs,
4 coming up with best practices, but by the time you audit
5 and evaluate a grant, post it on the Web site, talk about
6 it at conference, we're talking three years.

7 DEPUTY DIRECTOR LEE: Madam Chair, I think we can
8 assure you as the information becomes available, you know,
9 make it available to the other grantees. We want them to
10 last from the projects that the Board is currently
11 involved with.

12 And so -- and again, we have the additional use of
13 the HHW Information Exchange we use, which we hold
14 bimonthly, which we also use as opportunities, again, for
15 bringing out up-to-date information on program
16 development.

17 CHAIRPERSON BROWN: Right.

18 That's probably the best vehicle. That's fine.

19 MS. CORNWALL: Let me also add that we have a
20 Listserv that's very active, where people can post those
21 kinds of questions even down to, you know, what vendor
22 will be used to get recycled content for your materials;
23 has anyone does a project XY. So those come up on a daily
24 basis, and the info exchanges, as Mr. Lee said, are every
25 other month.

1 And although a project takes three years to
2 complete, we all -- every year we have projects finishing,
3 and every other month, the grantees are talking about the
4 successes, the challenges of their projects.

5 CHAIRPERSON BROWN: Okay. Member Petersen?

6 BOARD MEMBER PETERSEN: Thank you, Madam Chair.

7 First of all, I would like to thank the staff for
8 this report. It's extensive, and I'm getting an
9 understanding now of what is going on out there with these
10 programs.

11 And Board Member Peace was right on, on cost. But
12 the chatroom is a great idea, and you're doing that now,
13 but the question is, is how do we promote that to the
14 jurisdictions?

15 DEPUTY DIRECTOR LEE: Again, Mr. Petersen, we --
16 like I said, if you've attended any of our conferences,
17 you know that we have a very active involvement, you know,
18 by some 250 local jurisdictions that are involved in our
19 block grant programs and our various HHW programs.

20 And I think Ms. Cornwall mentioned the Listserv,
21 you know, which is, you know, actively engages these
22 jurisdictions, the bimonthly HHW meetings. In my
23 experience, you know, our stakeholder group is very
24 closely engaged with us and actively involved.

25 And so I --

1 BOARD MEMBER PETERSEN: That's great.

2 DEPUTY DIRECTOR LEE: I haven't seen any need, you
3 know, to go -- to do any additional outreach over and
4 above what we've got right now.

5 CHAIRPERSON BROWN: And since I have been, I will
6 just mention, they do have a very active group. But I
7 think the Listserv is more what Gary and I were thinking,
8 where they could --

9 BOARD MEMBER PETERSEN: Right.

10 CHAIRPERSON BROWN: In process of putting these
11 programs together, have an opportunity to share their
12 challenges as they put them together, because the
13 Take-It-Back program itself has had significant
14 challenges.

15 DEPUTY DIRECTOR LEE: I understand.

16 BOARD MEMBER PETERSEN: I just have one more
17 question.

18 I noticed -- and everybody's got their own
19 programs in their own jurisdictions about how to promote
20 this, and are we actually talking to the big chains to
21 help coordinate, let's say, campaigns statewide on where
22 we're going? I don't know if this dialogue has taken
23 place yet, but coordinate with the -- the big boxes, the
24 big chains, to coordinate with the local jurisdictions?
25 Is that happening?

1 DEPUTY DIRECTOR LEE: Are you talking about --

2 BOARD MEMBER PETERSEN: For the programs and the
3 collections.

4 DEPUTY DIRECTOR LEE: -- u-waste in general or the
5 Take-It-Back program specifically?

6 BOARD MEMBER PETERSEN: I would say both.

7 DEPUTY DIRECTOR LEE: With the u-waste efforts,
8 you know, the Board has through the HHW program, you know,
9 does have active involvement, trying to promote u-waste
10 collection and recycling efforts. Again, this grant
11 program is one of the key components of that.

12 If you're talking about the Take-It-Back program
13 specifically, again, as discussed indebted with the Board
14 as part of the U-Waste Action Plan, you know, that
15 program, the leadership responsibility on that is vested
16 with the Department of Toxic Substances Control. We are
17 trying to actively engage and encourage their efforts to,
18 you know, to refocus their efforts on, you know, more of
19 the retail focus, you know, on some of the these key
20 corporate partners.

21 You know, our success in that area has been, you
22 know -- arguably it's been a challenge. But we recognize
23 that that scenario and what we need to do to improve.

24 BOARD MEMBER PETERSEN: John, is there some sort
25 of a campaign that's maybe in your mind?

1 CHAIRPERSON BROWN: There is, Gary. DTSC is the
2 lead.

3 BOARD MEMBER PETERSEN: Okay.

4 CHAIRPERSON BROWN: And our -- our efforts in that
5 record to this point have been these infrastructure grants
6 and the \$50,000 campaign that we approved for the
7 California Broadcasters association last month.

8 So we're -- we're lending support behind the
9 program. They are taking the lead, though, in trying to
10 navigate the challenges of getting big box retailers to
11 participate in the program.

12 BOARD MEMBER PETERSEN: Great.

13 CHAIRPERSON BROWN: They've got some small
14 successes in some regional areas. I don't know that we've
15 cracked the shell of the big box, where we can make a
16 significant effort. But I know that Leonard Robinson is
17 leading that effort and still working on it.

18 BOARD MEMBER PETERSEN: Thank you.

19 CHAIRPERSON BROWN: Do we have any other
20 questions?

21 Can I have a motion?

22 BOARD MEMBER MULÉ: Madam Chair, it looks like two
23 resolutions, so I guess I need to move Resolution 2006-141
24 first.

25 CHAIRPERSON BROWN: Do I have a second?

1 BOARD MEMBER PEACE: Second.

2 CHAIRPERSON BROWN: It's been moved by Member Mul

3 and seconded by Member Peace.

4 Call the roll, Kristen.

5 EXECUTIVE ASSISTANT GARNER: Danzinger?

6 BOARD MEMBER DANZINGER: Aye.

7 EXECUTIVE ASSISTANT GARNER: Mulé?

8 BOARD MEMBER MULÉ: Aye.

9 EXECUTIVE ASSISTANT GARNER: Peace?

10 BOARD MEMBER PEACE: Aye.

11 EXECUTIVE ASSISTANT GARNER: Petersen?

12 BOARD MEMBER PETERSEN: Aye.

13 EXECUTIVE ASSISTANT GARNER: Wiggins?

14 BOARD MEMBER WIGGINS: Aye.

15 EXECUTIVE ASSISTANT GARNER: Brown?

16 CHAIRPERSON BROWN: Aye.

17 BOARD MEMBER MULÉ: And I would like to move

18 Resolution 2006-148, revised.

19 BOARD MEMBER PEACE: Second.

20 CHAIRPERSON BROWN: Moved by Member Mulé and

21 seconded by Member Peace.

22 Can you call the roll?

23 EXECUTIVE ASSISTANT GARNER: Danzinger?

24 BOARD MEMBER DANZINGER: Aye.

25 EXECUTIVE ASSISTANT GARNER: Mulé?

1 BOARD MEMBER MULÉ: Aye.

2 EXECUTIVE ASSISTANT GARNER: Peace?

3 BOARD MEMBER PEACE: Aye.

4 EXECUTIVE ASSISTANT GARNER: Petersen?

5 BOARD MEMBER PETERSEN: Aye.

6 EXECUTIVE ASSISTANT GARNER: Wiggins?

7 BOARD MEMBER WIGGINS: Aye.

8 EXECUTIVE ASSISTANT GARNER: Brown?

9 CHAIRPERSON BROWN: Aye.

10 Thank you very much. Those two resolutions have
11 passed.

12 And we'll move to Item 2, revised.

13 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

14 Board Item 2 is Consideration of Grant Awards for
15 the Targeted Rubberized Asphalt Concrete Incentive Grant
16 Program.

17 Staff requests approval with a total \$700,000 for
18 four identified applicants: City of Alameda, City of
19 Brentwood, City of Huron, City of Parlier.

20 This item was heard by the Special Waste Committee
21 and recommended for fiscal consent.

22 The staff requests the Board approve Resolution
23 2006-144 as revised.

24 CHAIRPERSON BROWN: Thank you, Jim.

25 Do we have any questions on this item?

1 Board Member Wiggins?

2 BOARD MEMBER WIGGINS: Yeah, I have a question.

3 What can we to encourage or help Caltrans use
4 rubberized asphalt?

5 DEPUTY DIRECTOR LEE: The -- we have been actively
6 engaged with Caltrans for many years. In fact, I think
7 the Board has, I want to say, it's got grants in the
8 amount of 2 to 3 million dollars, you know, with Caltrans
9 for development of various specifications, for assistance,
10 you know, with various, you know, project development
11 activities, for testing of various RAC specifications.

12 So the Board is actively engaged with Caltrans.

13 Several of the Board members --

14 BOARD MEMBER WIGGINS: But what's happening with
15 them? This is the Board, but why are -- where were they?

16 DEPUTY DIRECTOR LEE: I think that Caltrans, I
17 think, was last year, their chief district engineer put
18 forth out a memo, again, to the local jurisdiction -- not
19 the local jurisdiction, but to the Caltrans regional
20 districts, you know, basically strongly encouraging their
21 use of both rubberized asphalt concrete and the use of TDA
22 civil engineering projects. So this was a big step for
23 them that we viewed as basically trying to introduce and
24 reinforce the use of these materials by the Caltrans
25 people.

1 Recently, also their last year, there was
2 legislative initiatives, you know, that basically
3 mandated, you know, Caltrans's use of the RAC product.

4 So from -- I guess from staff's perspective, you
5 know, the Board has been engaged, I think, Caltrans
6 through both the Board's efforts and through the
7 legislative mandates, I think we would expect to be
8 utilizing more of these products, going into the future.

9 BOARD MEMBER WIGGINS: So maybe afterwards, you
10 can tell me what bill that was that has been dated --

11 DEPUTY DIRECTOR LEE: I think it was AB -- maybe
12 the staff -- I think it was AB 338.

13 BOARD MEMBER PEACE: 338, I believe.

14 BOARD MEMBER WIGGINS: AB 338?

15 Thank you.

16 DEPUTY DIRECTOR LEE: Nate, you want to clarify
17 that, please?

18 MR. GAUFF: I'm Nate Gauff with the Special Waste
19 Division.

20 The bill was by Senator Levine, Assembly Bill 338.
21 He did require Caltrans to have a certain percentage of
22 their projects each year of the base amount -- I think it
23 was 20 percent -- by tonnage that they would have to use
24 rubberized asphalt in their projects.

25 And just to add, what Jim has said, last year, I

1 think it was 2005, is the -- yeah I think it was 2005, the
2 information in the Caltrans Web site, they used about
3 almost 900,000 tons of rubberized asphalt in their
4 projects, and I believe they are well above the 20 percent
5 level at that tonnage. So they are -- they are making the
6 effort to use more rubberized asphalt.

7 CHAIRPERSON BROWN: Did they report accurately
8 their usage of RAC, and have we seen progress?

9 Sorry. That BSA report just came out, so it
10 happens to be on everybody's mind.

11 MR. GAUFF: The report -- the information that
12 that have reported on their Web site as far as the uses of
13 RAC is not actually usage; it's what they awarded in their
14 bid process, you know, versus what they awarded on all
15 their jobs, for all pavement materials.

16 And so what I would say is, a lot of that material
17 probably was not used. I mean, some of those bids
18 happened late in the year, so there wasn't time to
19 construct and things like that. But that's a normal
20 process for all of their projects; they don't always get
21 constructed when they are awarded.

22 So that's the -- I think that's best we can go by
23 at this point.

24 CHAIRPERSON BROWN: Thanks Nate.

25 Member Peace?

1 BOARD MEMBER PEACE: As we're looking at these
2 RAC -- target RAC incentive grants, I still haven't seen
3 the city of Los Angeles in here. That was like a two-year
4 big target.

5 Have we made contact with them at all?

6 MR. GAUFF: That I don't know as far as outreach.
7 I personally, as part of the Special Waste Program, have
8 not had any contract with the city of Los Angeles other
9 than I think when you were involved, Member Peace.

10 BOARD MEMBER PEACE: Because I've had several
11 different conferences I've gone to and things, and I've
12 talked to some people at the city who I tried to talk to
13 them into doing one of our --

14 MR. GAUFF: Well, recently in talking with the
15 Ogilvy folks, that was one of our major -- going to be one
16 of our major focus efforts.

17 Part of what they are doing now is doing the pilot
18 visitations with some of the jurisdictions, and we did
19 recently talk about that, that that would be one of the
20 first areas we would focus on, once the pilots were
21 completed.

22 BOARD MEMBER PEACE: That's a big area down there.
23 They use a lot of slurry but not the RAC, but I think they
24 are open to doing it. So we really need to push down
25 there, and I think I know we can start with Greg Smith's

1 office.

2 DEPUTY DIRECTOR LEE: Ms. Peace, we'll look into
3 that particular situation. Again, I know there has been
4 some initial resistance in L.A. to utilizing the product.

5 I think as Nate's mentioned, I think the Ogilvy
6 efforts we're going to be trying to look at this area
7 again, but let me refresh -- let me discuss with my staff
8 and be able to respond to you a little bit more on that.

9 BOARD MEMBER PEACE: I just wondered, have you
10 tried to contact them? Have you gotten any resistance?
11 Or what have you had when you tried to contact them?

12 MR. GAUFF: Like I said, we haven't had any
13 specific dialogue with them recently, but I can say we
14 haven't encountered any resistance either at this point.

15 And right now, since we have Ogilvy, Ogilvy is
16 leading that effort. And once again, we decided that that
17 would be one of our primary objectives here, in the very
18 near future.

19 CHAIRPERSON BROWN: Actually this discussion on
20 this item, since this is a fiscal consent item, should
21 focus on this item.

22 We do have comment from Member Wiggins, so I'm
23 going to try and rein us back in to just the discussion of
24 the item before us, and maybe during the next month's
25 meeting, we can give a report on that.

1 Member Wiggins?

2 BOARD MEMBER WIGGINS: Yeah, my question is, do we
3 pay the difference on RAC versus regular asphalt for
4 Caltrans?

5 MR. GAUFF: For Caltrans, no. And Caltrans is not
6 eligible for the targeted grant program; it's only
7 available to local agencies, city and county agencies.

8 DEPUTY DIRECTOR LEE: Ms. Wiggins, like I say, I
9 think the reason for the targeted RAC, I think I mentioned
10 in my earlier remarks, that we're already actively
11 involved with Caltrans and they've also gotten a
12 legislative mandate. The targeted RAC program was
13 designed to try and engage them -- the local jurisdictions
14 specifically -- who are actually responsible for about
15 two-thirds of the paving projects that occur in the state
16 on a yearly basis.

17 And it was there that the Board felt we needed to
18 concentrate our efforts and especially with -- to
19 introduce the product to those jurisdictions that had no
20 previous experience with it.

21 BOARD MEMBER DANZINGER: Can I just make a quick
22 request? No more references to Caltrans today, because
23 I've been biting my tongue all day, and it's giving me a
24 really bad headache.

25 All I've been able to do is live vicariously

1 through Edgar's comments.

2 CHAIRPERSON BROWN: May I have a motion?

3 BOARD MEMBER MULÉ: Madam Chair, I'd like to move
4 Resolution 2006-144, revised.

5 BOARD MEMBER PEACE: Second.

6 CHAIRPERSON BROWN: It's been moved by Member Mul
7 and seconded by Member Peace.

8 Can we call the roll, Kristen.

9 EXECUTIVE ASSISTANT GARNER: Danzinger?

10 BOARD MEMBER DANZINGER: Aye.

11 EXECUTIVE ASSISTANT GARNER: Mulé?

12 BOARD MEMBER MULÉ: Aye.

13 EXECUTIVE ASSISTANT GARNER: Peace?

14 BOARD MEMBER PEACE: Aye.

15 EXECUTIVE ASSISTANT GARNER: Petersen?

16 BOARD MEMBER PETERSEN: Aye.

17 EXECUTIVE ASSISTANT GARNER: Wiggins?

18 BOARD MEMBER WIGGINS: Aye.

19 EXECUTIVE ASSISTANT GARNER: Brown?

20 CHAIRPERSON BROWN: Aye.

21 Now we will move to Item 16, but I first, since
22 we're going to skip all of Gary's items -- well, all your
23 items were on consent.

24 We have full Board presentations.

25 Would you like to give a committee report now or

1 before your presentations?

2 Go for it. Now. Do it now.

3 BOARD MEMBER PETERSEN: Okay. Here it comes.

4 The Sustainability Market and Development

5 Committee held its meeting last week in conjunction with
6 the annual conference of the California Resource Recovery
7 Association, in San Jose.

8 We did this to provide an extended opportunity to
9 our members and staff to participate in the conference
10 area with the recycling community.

11 As a founding member of the CRRRA, I have keen
12 interest in the success of their organization. Its
13 membership is the core of California's recycling
14 community, and we need them to succeed -- in order for the
15 Board to succeed -- the Board to succeed in its missions.

16 While I was personally unable to attend any of the
17 conference sessions, I've heard good things and wanted to
18 take the opportunity to thank the Board members and all
19 the staff that assisted in the conference planning and
20 participated in the various ways during the conference.

21 Now, the Committee heard a presentation from CRRRA
22 outgoing president Alec Cooley, board member Susan
23 Collins, and past president John Davis, on their vision
24 for improving California's resource recovery
25 infrastructure.

1 This was the beginning of a dialogue I hope to
2 maintain between the Board and CRRA on strategies for zero
3 waste future. And I emphasize that.

4 Carpet MOU, we also heard an excellent update from
5 John Bleu on the staff's carpet stewardship MOU. As I
6 heard it, there have been some progress on increasing
7 carpet recycling. However, this has largely been the
8 results of the efforts of recyclers, not the carpet
9 industry itself.

10 Unfortunately, no one from the carpet industry
11 attended our meeting to give us some perspective on their
12 progress.

13 I think there are some questions that need to be
14 asked, and if the chair and my fellow board members
15 concur, I would like to meet with some of the industry
16 representatives to see what we can do to come up with an
17 acceleration of the recycling of carpet.

18 The rest of the story. In addition, Committee
19 moves seven planning items forward for consent. These
20 were approved. We're going to approve them, this morning,
21 I hope. And lastly, in order to facilitate participation
22 of key Caltrans representatives, on Agenda 15, which we're
23 really supportive of.

24 So anyway, Madam Chair, that's my report.

25 CHAIRPERSON BROWN: Told you run circles around

1 me.

2 BOARD MEMBER PETERSEN: No way.

3 CHAIRPERSON BROWN: Unless any Board members have
4 any objections, I think I would be fine with you meeting
5 with a couple of the carpet manufacturers.

6 Member Peace?

7 BOARD MEMBER PEACE: Yeah, I think this is great
8 that you want to do that, Gary, but I think it is
9 interesting where you gave your report that said you can
10 even at least put a 1-cent fee, 1-cent-a-yard fee on
11 carpet, that would yield, like, \$19 million for us to
12 create some infrastructure, if it was just a 5-cent fee a
13 yard on carpet, it would create a 95 -- \$95 million worth
14 of funds we could use to create more infrastructure. And
15 they said with that, it would maybe add \$10 to the average
16 price that a person would have to pay for --

17 BOARD MEMBER PETERSEN: For his home.

18 BOARD MEMBER PEACE: For -- yeah, for carpeting
19 their home.

20 BOARD MEMBER PETERSEN: Right. It's nothing.

21 BOARD MEMBER PEACE: So we can't talk to carpet
22 people into doing more that maybe --

23 BOARD MEMBER PETERSEN: We're going to have a lot
24 of --

25 BOARD MEMBER PEACE: Maybe we can try a different

1 direction in the legislature.

2 CHAIRPERSON BROWN: Thank you.

3 Thank you, Cheryl.

4 Thank you for your report, Gary. We approved your
5 consent items.

6 BOARD MEMBER PETERSEN: Thank you very much.

7 CHAIRPERSON BROWN: And we'll move to the next
8 fiscal consent item.

9 But first, Member -- Committee Chair Mulé, if you
10 would like to give your committee report.

11 Thank you, Madam Chair.

12 BOARD MEMBER MULÉ: We heard five facility permit
13 items, which were all placed on consent. And the item
14 that we are about to hear is the grant awards for the
15 Solid Waste Disposal and Codisposal Site Cleanup Program.

16 And that concludes my report.

17 And we had our meeting here in Sacramento.

18 BOARD MEMBER PETERSEN: Oh, well.

19 BOARD MEMBER MULÉ: So sorry.

20 We didn't have -- we didn't get -- well, we were
21 there in San Jose, but -- and I'm sorry I missed your
22 meeting, but I was attending the sessions. And it was
23 really a great conference.

24 And again, I hope we can build on that
25 relationship with CRRRA, because I think there's a lot of

1 opportunity for us to work with them and them helping us
2 with our mission and us helping them as well.

3 So with that, I conclude my report.

4 Thank you Madam Chair.

5 CHAIRPERSON BROWN: Thank you.

6 We'll move to Agenda Item 16.

7 MR. LEVENSON: Thank you, Madam Chair.

8 I'm Howard Levenson, Permitting and Enforcement
9 Division.

10 Agenda Item 16 is Consideration of New Projects
11 and Grant Award for the Solid Waste Disposal and
12 Codisposal Site Cleanup Program.

13 And in Mr. Leary's report this morning, you saw an
14 example of what the program can do on a complex site and
15 the kinds of efforts that go into it, and what we can gain
16 from those kinds of cleanups. So we have -- the item
17 today is bringing another set of the projects, some of
18 them are even more complex than the Nation City cleanup,
19 so we're looking for your approval on those.

20 And I thought, given the discussion with the
21 Committee, I should give a very brief run down of the
22 funding nature of these items, so if you will bear with me
23 for just a minute on that.

24 The Solid Waste Cleanup Program does address the
25 cleanup of solid waste disposal sites where a responsible

1 party either cannot be identified or is unable or
2 unwilling to pay for a timely remediation, and where the
3 cleanup is needed to protect public health, safety, and
4 the environment.

5 The projects are implemented through a variety of
6 means including Board-managed contracts, grants and loans,
7 and they use funding from the Solid Waste Cleanup Program
8 Trust Fund.

9 The proposed amount in this item is \$1.2 million
10 for four Board managed cleanup projects, and \$600,000 for
11 one matching grant.

12 Now, to explain the trust fund, the trust fund
13 receives an annual appropriation of approximately
14 \$5 million. With last year's balance along with that
15 appropriation and along with some of the dollars that have
16 come in from cost recovery from La Montaña cleanup.

17 The current unencumbered balance is about
18 \$10.8 million. That's a dynamic figure; it changes as we
19 get invoices on ongoing projects sources, we get cost
20 recovery dollars.

21 The matching grant for the City of Fillmore would
22 be funded using monies from this unencumbered balance of
23 that \$10.8 million.

24 We also have \$3 million encumbered -- already
25 encumbered in existing contracts for environmental

1 services. These are used for the Board-managed projects,
2 where we have our own contractor go in and do the actual
3 site investigation and remediation.

4 We had contracts awarded by the Board in March of
5 2006. One was for the northern California, A.J. Diani, in
6 particular, and one was for Southern California to recon.
7 And the initial funding in each of those contracts was
8 \$1.5 million from '05/'06 fiscal year funds. The
9 contracts again are authorized to go up to \$5 million. If
10 they run out, we'll come back to you with a request to
11 augment those contracts using current year funding from
12 the unencumbered balance of the trust fund.

13 So again, the four Board-managed projects in this
14 item would be funded out of the existing contracts. They
15 would not take anything from the unencumbered balance in
16 the trust fund.

17 Now, we still will have monies left in the
18 unencumbered balance -- approximately \$10.2 million after
19 this item.

20 That money can be used for new grants or emergency
21 situations or, as I indicated, to augment the existing
22 contracts if they run out. And actually one of them, the
23 A.J. Diani contract, we have about \$400,000 left after we
24 go through next -- these projects. So we'll have to come
25 back here pretty soon and augment that contract fund.

1 So with that, we are seeking approval of one new
2 grant and four new Board-managed projects. We had
3 significant input on all of those projects, at the P&E
4 Committee from the Campo tribe, Torres Martinez, Del
5 Norte, Tuolumne, and City of Fillmore all came and
6 provided testimony at the committee meeting.

7 Two of the projects involve very complex sites on
8 tribal lands, one in Torres Martinez in Riverside and one
9 of the Campo reservation in San Diego. These are --
10 particularity the Torres Martinez site is being done -- a
11 consultation in cooperation with USEPA and the tribes and
12 the Bureau of Indian Affairs. Two involved sites are
13 Tuolumne and Del Norte, and one's the matching grant of
14 the City of Fillmore.

15 So unless there's any questions in particular
16 about the projects, staff is recommending Option 1, which
17 is too approve proposed grant projects and adopt
18 resolution 2006-135.

19 Thank you.

20 CHAIRPERSON BROWN: Thank you, Howard.

21 Do we have any questions from Board members?

22 BOARD MEMBER MULÉ: No, Madam Chair, but I would
23 like to move Resolution 2006-135.

24 BOARD MEMBER PEACE: Second.

25 CHAIRPERSON BROWN: It's been moved by Member Mul

1 and seconded by Member Peace.

2 Call the roll.

3 EXECUTIVE ASSISTANT GARNER: Danzinger?

4 BOARD MEMBER DANZINGER: Aye.

5 EXECUTIVE ASSISTANT GARNER: Mulé?

6 BOARD MEMBER MULÉ: Aye.

7 EXECUTIVE ASSISTANT GARNER: Peace?

8 BOARD MEMBER PEACE: Aye.

9 EXECUTIVE ASSISTANT GARNER: Petersen?

10 BOARD MEMBER PETERSEN: Aye.

11 EXECUTIVE ASSISTANT GARNER: Wiggins?

12 BOARD MEMBER WIGGINS: Aye.

13 EXECUTIVE ASSISTANT GARNER: Brown?

14 CHAIRPERSON BROWN: Aye.

15 Thank you, Howard.

16 And now we will move to Agenda Item 3.

17 DEPUTY DIRECTOR LEE: Thank you, Madam Chair.

18 Board Item 3 is consideration of Reallocation and

19 of Grant Awards for the Tire-Derived Product Business

20 Assistance Program.

21 This business assistance grant program represents

22 one of the Board's most sophisticated efforts to date, to

23 provide support to the private sector to advance the

24 Board's tire diversion and recycling goals.

25 Utilizing the Board's technical staff and a team

1 of Board contractors with experience in marketing,
2 finance, and other business support services, the
3 individual grant applicant situations were assessed and
4 targeted support needs were identified.

5 With this additional level of grant applicant
6 review and continuing oversight, we believe the chances
7 for individual and program success are significantly
8 improved.

9 I mentioned earlier that that is a inaugural
10 effort for one of the Board's more complex and
11 sophisticated grant offerings.

12 One consequence of this has been some last-minute
13 issues with proper titling of the agenda item to reflect
14 proposed reallocation of funds previously encumbered in a
15 contract for services with R.W. Beck. This was explained
16 in the memo you received earlier.

17 Given the title has changed and to meet public
18 notification requirements, the Board's deliberation on
19 this item was necessarily deferred until the Board meeting
20 today.

21 I also want to bring your attention to some
22 additional changes reflected in a revision to the item,
23 provided to you this morning. These changes reflect
24 modifications in the distribution of grant funds for some
25 of the proposed grant recipients.

1 With that overview, I now like to ask Calvin Young
2 to make the remainder of the staff presentation.

3 CHAIRPERSON BROWN: Thank you.
4 Calvin?

5 MR. YOUNG: My name is Calvin Young with the
6 Special Waste Division, Product Promotion and Assistance
7 Section.

8 (Thereupon an overhead presentation was
9 presented as follows.)

10 --o0o--

11 MR. YOUNG: This is an interesting program to say
12 the least.

13 A while back, we were on kind of a quest to kind
14 of figure out a replacement to the commercialization
15 program. There were a variety of strong points and a
16 variety of weaknesses to it. So we were tasked with
17 something a little bit different, and hopefully you will
18 like what we came up with.

19 The first couple of slides here I'm going to kind
20 of do a little bit of a revisiting of the program overview
21 to kind of bring everybody up to speed, since it's been a
22 little while here. So bear with me.

23 It's a very different approach and goal. Rather
24 than previously with the commercialization program,
25 looking at providing equipment grants based on, you know,

1 how well somebody told a story in an application, this is
2 different in that we're really kind of looking at more of
3 a sustainability on the part of individual business.
4 Rather than giving them a fish, we're teaching them how to
5 fish.

6 We're very much leaning towards empowering the
7 business and getting them the management tools and
8 training they need to take their business to the next
9 level and thereby divert additional tires from the waste
10 stream. The mechanism is different. In the past we're
11 just used grant agreements. This uses a combination of
12 both contract and grant agreements to accomplish the
13 delivery of services and any specifically identified
14 equipment needs.

15 We're also looking at a fairly significant dollar
16 amount: \$3.85 million, term of contract is 30 months.
17 Although in business, time is money, so literally, the
18 assistance provided to most of these businesses will
19 probably be provided in 9 to 12 months, maybe a little bit
20 more for some of the more complex areas.

21 And we also have the ability in the program to
22 fund -- identify and fund sector and industrywide
23 activities. We recently had a workshop on that and
24 discussed a variety of things, which will be coming
25 forward to the Board, for their consideration, I believe

1 in October, that will help the industry as a whole.

2 That was really a hot button when we were first
3 coming out with a program, from both stakeholders as well
4 as Board members, that we could take and identify some
5 common theme, some common areas of need and focus
6 resources on those, rather than repeating it over and over
7 again with the individual businesses.

8 --o0o--

9 MR. YOUNG: As far as the types of assistance that
10 are offered under the program, we have the general
11 business assistance which is general strategic planning,
12 helping them to identify market segments and what have
13 yous;

14 Technical, which go into plant layout. We have a
15 few companies that are taking advantage of plant layout
16 aspects, optimizing equipments and what have yous;

17 Marketing, seemed to be a hot button with a lot of
18 folks and that seemed to be working really well;

19 Project testing and certification, we have
20 Underwriting Laboratory, which is one of the big names as
21 kind of keynote there, for that;

22 And any specifically identified equipment would
23 also be eligible under the program.

24 Just as an aside, and I'm jumping a little ahead,
25 but just kind of to put a perspective on the funding

1 amounts, we're recommending it works out to 22 percent in
2 general business assistance; 22 percent in technical; 17
3 in marketing; 10 percent in product testing and
4 certification; and 29 in equipment.

5 That's pretty close, because when we originally
6 started with this program, we were kind of guessing that
7 at about 25 -- a quarter to a third of the monies would
8 probably be equipment and balance would be for technical
9 and consultive services. So we're right on the market in
10 that.

11 We also estimated it would probably serve about
12 37, 38 businesses. We've got 19 that we're dealing with
13 right now. So we're right on the marks on that. So I'm
14 pretty happy with that.

15 --o0o--

16 MR. YOUNG: As far as eligibility and funding,
17 since this is a brand new program, we kind of gave an
18 initial shot on this. And we will probably be coming
19 back, later on, with some recommendations for some
20 tweaking to some of the areas here.

21 But there was some concerns before having
22 out-of-state companies coming in that didn't have a
23 physical presence in the state or whatever, so it's
24 California-based companies only.

25 We would accept companies that were domiciled in

1 other states if they had a physical operational presence
2 in California.

3 An example would be if they had a production
4 officer here even though they were headquartered somewhere
5 else, but we didn't want to get into what had been an
6 issue at least in one case before, where it was literally
7 a mailbox.

8 Business categories, in the agenda item, there's
9 various business categories. I'm not going to go into
10 great detail on that, other than that was kind of our
11 first stab at slotting businesses in a variety of
12 categories and then trying to figure out an appropriate
13 assistance amount for those.

14 Yeah, it was a challenge, let me tell you.

15 And we've kind of felt that two different levels
16 were appropriate, rather than, you know, the small
17 mom-and-pops getting the same as a multi-million-dollar
18 corporation. We broke it into two broad levels, a \$50,000
19 level maximum and a 175, and rather than basing funding on
20 telling a good story, we based it on actually PTE
21 diversion, documented PTE diversion, in the previous year.

22 And while some of the companies that we're
23 currently working with importing their rubber for the
24 materials as part as the agreement with what we will be
25 having as though they were required to use California

1 rubber.

2 --o0o--

3 MR. YOUNG: The process was we went through and
4 had 22 companies, 22 applications. 19 were eligible, 2
5 were startup companies, and one was an out-of-state
6 company that didn't have a California presence.

7 Also, different from previous grant programs and
8 what have you, we actually analyzed a lot of stuff. We
9 got financial statements. We got tax -- we eliminated tax
10 return information. We had the RMDZ program staff spread
11 or analyze those -- those statements and financial
12 information; ordered business credit records; ordered
13 requests from the Secretary of State as well as Franchise
14 Tax Board to make sure they were in good standing with
15 those entities. Checked with our Waste Water Permit
16 Section and the RMDZ program regarding those who had loans
17 with the program.

18 We also went out and visited every single one of
19 them. And let me tell you, one week -- rit was a
20 challenge let me tell you. One week we put on, in four
21 days, 1200-plus miles, and it was just because
22 geographically, it had to be done where they were at and
23 what have you. But that was a tough week.

24 Anyway, we went out and visited all of companies,
25 had a really good interchange. The visits would typically

1 be anywhere from say two to three hours, rough, and it
2 would be myself, Frank Simpson accompanied many of them.
3 We also had one or two members of the assessment team,
4 depending upon the complexity of the company and their
5 specific needs.

6 So we really had an opportunity to bring the right
7 talent to the table at the time. This whole thing
8 between -- especially relying on folks with the Recycling
9 Market Development Zone program, and I especially want to
10 thank them -- but it's really been a collaborative effort
11 between our RMDZ folks, the folks in Permitting, our tire
12 derived aggregate key staff, public affairs office,
13 everybody. I mean, this has been a really -- everybody
14 pulled together type of thing, and I really appreciate all
15 of their assistance.

16 --o0o--

17 MR. YOUNG: As far as on the assessment and
18 observations, when we went into the program, we kind of
19 had an idea that, well, there were probably a couple of
20 really strong companies, but generally there were a lot of
21 weaknesses out there. And that's pretty much what we
22 found.

23 There were a couple of really strong ones, but the
24 vast majority of them had really some -- one or more areas
25 of significant weakness. It could be that maybe they

1 would grow too fast and didn't have the management
2 background. Most of time it was what they were
3 under-capitalized and maybe not yet profitable or because
4 they were growing so fast, they didn't have sufficient
5 cash flow for operations and a variety of things.

6 But it was really -- it was really -- it's like,
7 you know, you see the picture of the cat hanging on by the
8 fingernails, that's a lot like what it was for a lot of
9 businesses out there. So a lot of the businesses -- not
10 all, there were a couple of very strong ones -- but the
11 fast majority of the business had, really had weaknesses
12 in one or more areas that really are going to be able to
13 be significantly assisted by this program. I'm very, very
14 pleased by that.

15 We also identified several areas of common
16 interest and need as we went out and spoke with the
17 businesses. There seems to be a common need -- and this
18 will be coming up as we go forward with our sector and
19 industrywide proposal in a couple of months here. There's
20 a lot of need out there for some sort of cooperative
21 marketing: reaching out to Caltrans -- I shouldn't have
22 said that word, pardon me, Jeff -- but reaching out to
23 other government entities, both at the state and federal
24 and local level.

25 There seems to be a lot of interest in reaching

1 out to the green building community: the architects, the
2 designers, and what have yous, and we'd some conversations
3 with our green building folks and we're going to be having
4 additional conversations as we move forward with this. So
5 we're working together, not disjointed. It's going to be
6 very much a coordinated effort.

7 There's also a lot of opportunities out there that
8 we aren't really aware of. For example, when we were
9 speaking with one company, the principal of that company
10 is also involved in another large rubber manufacturing
11 company, and the use virgin rubber for the manufacturing.
12 When I say large, we're talking, lots and lots of monies.

13 And they indicated there might be an opportunity.
14 Nobody really approached them, of using between maybe 5,
15 10, 15 percent recycled rubber in with the virgin rubber,
16 into the mainstream products.

17 I'm not talking about going out rubber floor mats
18 or you know whatevers. I'm talking about mainstream
19 rubber products that we can incorporate between 5 and 15
20 percent of recycled material into the product, without
21 degrading the performance or any of the specifications to
22 it.

23 We're finding out that maybe we're kind a victim
24 of our own success. Right now, there appears to be a
25 little bit of a shortage or a temporary imbalance between

1 the supply and demand in the crumb rubber market. We're
2 hearing with all of the money and outgoing to the RAC, and
3 some of our processors shifting more and more resources
4 and more and more production that way, that it's creating
5 a tightness of supply for the molded product
6 manufacturers.

7 Now, three of the processors are in the process of
8 increasing their production, but right now, you know, you
9 have to little bit where you have demand go up here and
10 supplies down here. Well, supply is going to have to come
11 back up. And they are working that at the processor
12 level.

13 There is also some things that may come down the
14 line that we may be able to suggest on supply side dealing
15 with a variety of issues on the supply of the waste tires
16 going into processor that may be able to adjust the market
17 forces a little bit on that as well.

18 We found a lot of support for the program, a lot
19 of uncertainty, to be frank. As far as because it is so
20 new how is it going to work how is this going to do. you
21 know, is it basically they are making recommendations and
22 they are going to do the services. Well, what are sort of
23 the checks and balances and whatever in that? And we
24 walked through a lot of this on a one-on-one business,
25 business by business, and they seemed to be fine with it,

1 once it was over. Yes, everybody would prefer to just get
2 a quarter million dollar grant for equipment and spend it
3 any way they want. So this was a bit of an educational
4 process and a little bit of getting over obstacles for a
5 lot of businesses, but I think those that worked through
6 it and saw the value there we were really excited.

7 And we have a couple, like I said, that especially
8 we're looking forward to plant layout and design and some
9 other optimization things that they are going to be poster
10 children for the program. This is the only way I can talk
11 about it.

12 --o0o--

13 MR. YOUNG: One of the issues that was strong that
14 was a early-on item was confidentiality. Because of what
15 we're dealing with here, we're dealing with financial
16 statements, we're dealing with customer records, we're
17 dealing with all sorts of things.

18 Companies have some concerns regarding
19 confidentiality, and it is essential to the program to
20 maintain that confidentiality to the best degree that we
21 can, realizing we're a state entity, but taking every
22 precaution that we can through the program. So we went
23 through and we described various things in the application
24 itself. We had specific language in the contract between
25 the Waste Board and R.W. Beck.

1 The finals themselves have restricted access, not
2 a general access type of thing. And they -- we even
3 generated a -- prepared a confidentiality agreement that
4 would additionally bind not only R.W. Beck but all of the
5 subcontractors and anybody else working on that, that
6 would come in contact with the information, bind them by
7 confidentiality as well between them and the business. So
8 we have kind of a things coming from a variety of
9 directions here.

10 --o0o--

11 MR. YOUNG: Funding wise, we're working on the
12 \$3.85 million contract with R.W. Beck.

13 The assessment team actually provides the vast
14 majority of the assistance to the individual businesses.
15 R.W. Beck is kind of a gatekeeper. More than anything
16 else, it helps to coordinate, gee whiz, 19 different
17 companies and a dozen different subcontractors and it gets
18 to be rather -- rather interesting.

19 As far as the reallocation goes, again, we're
20 working from a \$3.85 million contract, and as Jim
21 mentioned a little bit earlier, we had to adjust the title
22 because technically it's pulling monies out of the
23 contract to fund the equipment dollars associate with
24 that.

25 We're looking -- we've got of the various things

1 for assistance as well as for equipment needs, it's
2 1,767,500, all total. We estimate that we'll still --
3 we'll probably come forward with proposals for 200 to
4 300,000 for sector and industry-wide activities and with
5 the other costs associated with doing the assessments and
6 what have you. We estimate there will probably be about
7 a mil-5, million-7, something like that for the next -- or
8 for future grant cycles.

9 Part of the things that we also looked at that
10 were very different in this was with the equipment, again,
11 in the past it was tell a good story, send in an
12 application, and we'll give you a grant for equipment.

13 Well, we had some businesses that we weren't able
14 to say yet that they needed a certain piece of equipment.
15 Before we reached that point, we're going to be doing some
16 analysis and some work with the business on their
17 planning, on their itemization of things, and to kind of
18 figure out where they really are relative to their
19 equipment needs. This isn't an equipment "want" program;
20 it's a equipment "need" program.

21 So we have a few companies that we are just
22 funding so the technical assistance side on we'll be
23 looking at and coming back in the future for taking care
24 of the equipment needs.

25 When I do come forward with the proposed changes

1 to the processing criteria, one of the things that I will
2 be requesting is that those that have gone through this
3 system before receive the assessment, and we're working
4 with them. Basically that those we've deferred their
5 equipment purchase, that they basically be given priority
6 funding over the others because they've been waiting at
7 this point.

8 We also have some businesses that have some --
9 some concerns that we didn't -- that we wanted to make
10 this really performance based both on the individual
11 business as well as on the contractor and the program
12 itself.

13 So we also had some performance requirements with
14 the individual businesses to where we would give them some
15 initial consulting and technical services. They needed to
16 do something else before we would provide the additional
17 services. So it's not just, you know, open the gates and
18 here comes all the services. They -- several of them have
19 performance issues on their part as well.

20 And if they don't perform, then basically those --
21 those monies would be available for other businesses in
22 their needs.

23 --o0o--

24 MR. YOUNG: And as far as performance measurements
25 goes, we -- again, this is different in that we very much

1 want to inspect what we expect. So on the monthly
2 performance, we are setting it up that the contractor, as
3 they perform the assistance to the business, on a monthly
4 basis are submitting invoices, and will also be doing a
5 mini-performance evaluation of the contractors, the
6 subcontractors, on a monthly basis, so we can immediately
7 respond to any areas of concern and so that there's a
8 feedback mechanism along with it.

9 As a part of that, we are also going to have
10 feedback from the individual businesses: How is this
11 consultant working with you? Do you feel like, you know,
12 we're getting our money's worth? And so on and so forth.
13 So it's very much customer driven. It's not just top down
14 directive type stuff.

15 We're also going to have, because we require the
16 financial information in the passenger tire equivalent
17 information, we have both a baseline as well as a
18 requirement for annual reporting from these businesses.

19 So we'll be able to gauge the success of the
20 program over time. And if we find that we need to adjust
21 in certain areas, we could.

22 And on the industry-wide information, again, we're
23 looking at a variety of activities associated with that,
24 but we're also finding that in addition to the information
25 that we generate at the program level, through waste tire

1 program as far as diversion numbers, there's also real
2 value in getting hard information from the processors as
3 far as -- not just the tires processing, but where does
4 the material go? Hard numbers as far as what is going
5 into RAC? What is going into molded products? What is
6 going into TDA, and what have you? And you know, what's
7 being shipped out of the state?

8 Currently, we understand that a fair amount of our
9 crumb is being shipped out of state, which is ironic
10 because actually we're importing courtroom as well.

11 So it's interesting. We're trying to get a better
12 handle on all of that.

13 --o0o--

14 MR. YOUNG: As far as the lessons learned, it
15 would probably be that, yes, this was very much needed out
16 from.

17 Sometimes when companies are so involved in
18 working in the business, they don't have time to step back
19 and work on the business. And we're finding that very
20 much throughout the businesses that we've been dealing
21 with.

22 We will probably come back again, as I said, a
23 couple of months with changes, some tweaking to the
24 process and criteria to kind of reflect the information
25 that we've got.

1 CHAIRPERSON BROWN: You're not leaving much time
2 for us to ask questions or any information for us to ask
3 you. You're providing all the information in your
4 presentation, Calvin. You have to leave a little bit for
5 us to ask you so we show interest in this program.

6 So give us the nuts and bolts. And where we would
7 like to delve into the specific detail, let us ask you
8 question on that. You're providing a very detailed,
9 thorough, great presentation.

10 MR. YOUNG: And with that --

11 CHAIRPERSON BROWN: And with that. Finish,
12 please. You're not leaving much for us to probe.

13 MR. YOUNG: Okay. And that's kind of actually it.
14 My next slide was just the recommendations.

15 It's been a very interesting process going through
16 and working with the businesses and very eye opening as
17 far as the needs, the true needs out there.

18 And I think this program pretty well is addressing
19 a lot of it. There was some initial skepticism, and they
20 is still a little bit out there how is it actually going
21 to work? Gee, on the tire business, how is that the same
22 as another business? And so on and so forth.

23 But we're working through all of those issues.

24 CHAIRPERSON BROWN: Good. Thank you for your
25 presentation. I didn't mean to cut you off.

1 But Member Petersen is chomping at the bit. He
2 has a question for you.

3 BOARD MEMBER PETERSEN: Calvin, this is really
4 exciting, what you're doing and how you're doing it. And
5 to me this is like when we started the certificate program
6 at UCLA on recycling and waste management, the idea was,
7 is we get out in the street with recycling coordinators,
8 get out in the street with the businesses so they
9 understand what this is all about. And this is fabulous.
10 Congratulations and good job.

11 Now I'm looking toward to seeing what you're going
12 to do.

13 MR. YOUNG: Thank you.

14 CHAIRPERSON BROWN: Thank you, Member Peace.

15 BOARD MEMBER PEACE: Calvin has done a great job.
16 We took like a concept and then he comes up with this
17 whole program. It's great.

18 When I was reading through -- it says that every
19 eligible business was visited by a staff member and by at
20 least one or two members of the Beck team, which is great.
21 Because I think in the past, the product commercialization
22 grant, sometimes those weren't even visited, so this is
23 wonderful.

24 But my question is, when you do the assessment, do
25 we have, like, any of the businesses, say, apply for any

1 safer equipment and the assessment team says, no, actually
2 you don't need equipment. You just need better management
3 and some marketing help? And has that happened? And what
4 kind of reaction do you get from the businesses, when you
5 don't quite agree with what you think they need.

6 MR. YOUNG: That's a very good question.

7 And actually we encountered that more than once,
8 where they had been accustomed to just getting their
9 equipment money and just rolling with it and now, come on,
10 this is a capital intensive business. I need equipment I
11 need this, I need that.

12 And that's accurate. But you also need to balance
13 that with the needs to manage the business, and I kind of
14 liken it to a couple of companies that we've dealt with.
15 It's like, okay, you have gone from this level on sales to
16 way up here, and you want to go up here, but your
17 management and your operations and everything is still
18 down at this level.

19 If you want to take it to these next higher
20 levels, you need the additional guidance and structure and
21 support and training to let you take it to those next
22 levels.

23 But yes, we did have some companies that, you
24 know, I just want my equipment money and let's move on
25 this here. And then we had to, in a few cases, kind of go

1 back and forth and point out some things with the
2 companies as far as kind of frankly identifying where some
3 of the big gaps are here. And they eventually saw the
4 merits to it. They still wanted the equipment money
5 though, but they saw that they did indeed meet the
6 consulting dollars as well to help them improve their
7 business, improve the cash flow, so they can fund those
8 other programs, so they introduce the new products and so
9 on and so forth. So it was very much a give-and-take
10 operation.

11 In the assessments, we had the consultants come
12 out with an initial draft, and then not only did we visit
13 every company, we also had a teleconference with every
14 company for an hour or so, going over the report, going
15 over the recommendations, and having that back and forth
16 dialogue where the consultants and myself were able to
17 explain why we thought something was important to the
18 company, and they were able to respond back why they
19 thought, you know, maybe a piece of equipment or a
20 different category of assistance was more important.

21 And I would say, in all by just a couple of
22 examples, we adjusted the dollars. So it wasn't a case of
23 here's what the consultant says, and that's what it was.
24 It was very much a case of here's the initial assessment,
25 now let's talk about it, let's negotiate it, let's work

1 out something we can all agree with.

2 CHAIRPERSON BROWN: Thank you, Calvin.

3 Member Mulé?

4 BOARD MEMBER MULÉ: Thank you, Madam Chair.

5 Quick question and hopefully a quick answer on the
6 revisions we received this morning.

7 I just was wondering if you can go through them
8 quickly.

9 For example, I'm looking at the resolution, the
10 third page of the resolution, where you've got the table
11 with the names of the companies and the types of
12 assistance and like, for example -- I'm not picking on
13 anyone -- but I'm just saying, for example, Golden
14 Byproducts, their general assistance dollars amount was
15 originally \$115,000. It went down to \$25,000.

16 So if you can briefly explain all these changes,
17 because I'm not comfortable voting on this. I mean, this
18 is a lot of money that we are going to be approving today.

19 So I just want to make sure that we all have an
20 understanding of what this is about, but -- and I know
21 that we're pressed for time.

22 MR. YOUNG: I will be brief.

23 BOARD MEMBER MULÉ: Thank you.

24 MR. YOUNG: Okay. When we had prepared the item,
25 we knew that there would be a couple of adjustments in the

1 dollars figures simply because in the case of, you
2 mentioned, Golden Byproducts, we had not yet had an
3 opportunity to have that back and forth dialogue with the
4 company. We were able to have that earlier last week, and
5 as a result of that back and forth dialogue, we reached an
6 adjustment to the figures.

7 The initial dollars were just thrown into the
8 various categories that they were initially just more as
9 placeholders than anything else, and that these reflect
10 what this is.

11 You will also notice Ag Link up there. Ag Link is
12 an affiliate of Golden Byproducts, so their 175 is still
13 between the two.

14 The others that have changes to them basically are
15 two companies that -- that were looking at producing
16 tire-derived aggregate. The figures that were in here,
17 what we initially had after discussions with our
18 specialists and tire-derived aggregate at the Board and
19 others, we adjusted the dollars amounts and basically
20 deferred the bulk of the equipment until after there would
21 be more -- much more of analysis of the company and their
22 actual needs.

23 CHAIRPERSON BROWN: Thank you.

24 We do have one speaker on this item.

25 Scott Smithline.

1 ACTING DEPUTY DIRECTOR SMITHLINE: Good morning,
2 Madam Chair and Board members.

3 I'm Scott Smithline with the environmental group
4 Californians Against Waste.

5 It's been some time since we've been before you.
6 We worked with the Special Waste Committee on this issue.
7 I think the Board had actually very different composition,
8 but we have been observing this process as it's been
9 moving along.

10 At that time we last commented, we did actually
11 propose a very different way of dealing with the tire
12 problem in California, and we still believe that a much
13 simpler bottle bill-type program would probably better
14 serve the state. That notwithstanding, I think there's
15 some very good things about this program.

16 Primarily, the fact that Calvin and the team are
17 reaching out to really expand market development and start
18 including -- finding markets to include tire rubber and
19 other products, I think that's really significant work,
20 and I really applaud that effort.

21 Two things I think we need to keep on eye on: One
22 is that, and we've commented on this before in this
23 program, is that all diversion is not created equal, and
24 that as we move forward, particularly with what feels to
25 be a little bit of a decrease in transparency, it's

1 difficult for a stakeholder to assess where the dollars
2 are going and whether as a stakeholder we feel that's in
3 line with the waste hierarchy and really prioritizing
4 recycling, putting the highest value added products on top
5 and recycling are as close as we can get, and on down from
6 there.

7 That doesn't seem transparent in this process, and
8 particularly, there seems to be less information available
9 on where the grant monies are going once they are in the
10 company, when before, it was a company would present this
11 is what we're doing.

12 It's a little less clear at this point, so I just
13 would ask that we keep our eye on that, maybe if there's
14 some way to increase that feedback and transparency to the
15 stakeholder group.

16 Thank you.

17 CHAIRPERSON BROWN: Thank you, Scott.

18 Any questions from the Board members yet
19 unanswered, by either Calvin or questions of Scott?

20 Okay.

21 Then we do have a revised resolution?

22 If I could have a motion on the revised resolution
23 that was presented to members this morning.

24 BOARD MEMBER MULÉ: Madam Chair, I will move
25 Resolution 2006-145, revised.

1 BOARD MEMBER PEACE: Second.

2 CHAIRPERSON BROWN: It's been moved by Member Mul

3 and seconded by Member Peace.

4 Kristen, could you call the roll.

5 EXECUTIVE ASSISTANT GARNER: Danzinger?

6 BOARD MEMBER DANZINGER: Aye.

7 EXECUTIVE ASSISTANT GARNER: Mulé?

8 BOARD MEMBER MULÉ: Aye.

9 EXECUTIVE ASSISTANT GARNER: Peace?

10 BOARD MEMBER PEACE: Aye.

11 EXECUTIVE ASSISTANT GARNER: Petersen?

12 BOARD MEMBER PETERSEN: Aye.

13 EXECUTIVE ASSISTANT GARNER: Wiggins?

14 BOARD MEMBER WIGGINS: Aye.

15 EXECUTIVE ASSISTANT GARNER: Brown?

16 CHAIRPERSON BROWN: Aye.

17 Now, with the audience's indulgence, we need to

18 take a few minute break, and we will reconvene before

19 noon, and at that time. And without objection, I know we

20 have some speakers here on a future agenda item, if we

21 could take them out of order to do Item 23 followed by

22 Item 11 and then 12. Without anybody's objection I will

23 propose that. And if we could be back here in ten

24 minutes, that would be great.

25 (Thereupon a break was taken in

1 proceedings.)

2 CHAIRPERSON BROWN: I think we would like to call

3 this meeting back to order, in the interest of time.

4 Kristen, can you call the roll?

5 EXECUTIVE ASSISTANT GARNER: Danzinger?

6 Mulé?

7 BOARD MEMBER MULÉ: Here.

8 EXECUTIVE ASSISTANT GARNER: Peace?

9 BOARD MEMBER PEACE: Here.

10 EXECUTIVE ASSISTANT GARNER: Petersen?

11 BOARD MEMBER PETERSEN: Here.

12 EXECUTIVE ASSISTANT GARNER: Wiggins?

13 BOARD MEMBER WIGGINS: Here.

14 EXECUTIVE ASSISTANT GARNER: Brown?

15 CHAIRPERSON BROWN: Here.

16 And we'll keep the roll open.

17 And we would like to move to Agenda Item 23,

18 Consideration of Allocation and Scope of Work for

19 Curriculum Reviewers, Graphic Designers, and Editors for

20 the EEI Model Curriculum Program.

21 Susan Sakakihara.

22 ACTING ASSISTANT DIRECTOR SAKAKIHARA: Good

23 morning, Chair, and Board members.

24 My name is Susan Sakakihara.

25 CHAIRPERSON BROWN: Can you talk into the

1 microphone?

2 Thank you.

3 ACTING ASSISTANT DIRECTOR SAKAKIHARA: My name is
4 Susan Sakakihara. I am the acting assistant director of
5 the Office of Education and the Environment.

6 As you know from our previous times before you,
7 the Environmental Education Initiative, otherwise known as
8 EEI, and of course the Environment Model Curriculum are
9 well underway.

10 Andrea Lewis and our consultant Jerry Leiberman
11 will be providing you with an update in status of model
12 curriculum after my presentation.

13 At this point in our work plan, the OEE staff are
14 ready to move forward with the next steps of developing
15 the model curriculum. Specifically three areas of
16 expertise are needed, and today we are requesting that
17 your approval of the scopes of work and allocation of
18 funding provide for professional curricular reviewers,
19 editors, and graphic designers.

20 The curriculum reviewers will determine if the
21 curriculum is factually correct, present concepts in
22 interesting and engaging ways, are grade-specific, and
23 make sure that the curriculum is of a sound nature for
24 teachers.

25 The editors and graphic designer services will

1 synthesize the work of the writers, incorporating
2 reviewers' comments, and will ensure a product that has
3 visual integrity and adheres to the state's legal and
4 social compliance requirements.

5 The amount of funds requested for the allocation
6 is \$905,000: 305,000 for curriculum review; 300,000 for
7 professional editors; and 300,000 for graphic design
8 services.

9 This funding is already allocated to the EEI
10 project, but the specific allocation needs to be approved
11 by the Board through Resolution No. 2006-147.

12 In addition, we will be conducting a market survey
13 to ensure that there are no state agencies, universities,
14 or colleges that can perform the graphic design or editing
15 services. If none are found, RFPs will be released to
16 find these services.

17 This concludes my presentation.

18 Now I would like to introduce Andrea Lewis,
19 assistant secretary of Cal EPA, and our EEI consultant,
20 Jerry Leiberman.

21 CHAIRPERSON BROWN: Thank you, Susan.

22 Can I -- while they are making their way, can I
23 ask if any Board members have any ex-parte to report
24 before we get to business?

25 BOARD MEMBER PETERSEN: Just a meet and greet with

1 Pat Schaivo.

2 CHAIRPERSON BROWN: Okay. Thank you.

3 Andrea?

4 (Thereupon an overhead presentation was
5 presented as follows.)

6 MS. LEWIS: Good afternoon.

7 It is really a pleasure to be here. We will be
8 quick, actually.

9 If I could have the next slide, please.

10 --o0o--

11 MS. LEWIS: This is actually what Susan covered in
12 terms of the allocation and scopes of work for the
13 curriculum writers, the graphic designers, and the
14 editors, and the resolution.

15 --o0o--

16 MS. LEWIS: And I would like to give you an update
17 in regard to the recent activities that we have been
18 involved, and the deliverables.

19 The first is, last week we held an all-day session
20 to review the proposals that have come in for the request
21 for proposal from the writers. We received approximately
22 30 -- actually maybe received a few more proposals for the
23 fourth through sixth grade science and history social
24 science. So we have some very good proposals for our
25 writers. We were very -- we were very nervous initially,

1 but we were very pleased toward -- with -- toward that
2 deadline. And we are now making reference checking calls
3 on those writers.

4 We have the writers' workshop that's planned the
5 week of September 11, here, in Sacramento, where we will
6 be bringing the writers, National Geographic, and others
7 that are actively involved with us, together, to brief
8 them about the EEI and the development of the EEI model
9 curriculum.

10 We are also working on a continuing scope of work
11 with the National Geographic society on scope of work,
12 work plan, and time line for these deliverables that you
13 are all familiar with, in regard to that contract.

14 And ultimately, this is what we foresee for the
15 model curriculum:

16 Twenty grade-level packages with a number of units
17 per grade, depending on the strength with the academic
18 content standards, and learning objectives;

19 We're looking at K through 12, likely between 150
20 and 200 instructional units that we are going to be
21 creating with the help of obviously the writers, the
22 graphic designers, and the editors, at National
23 Geographic.

24 And it is my pleasure to turn over, next, to
25 Dr. Jerry Leiberman, who's going to describe for you the

1 work that we foresee for these writers and editors.

2 CHAIRPERSON BROWN: Okay. You're welcome.

3 Dr. Leiberman?

4 DR. LEIBERMAN: Thank you.

5 Good morning, Madam Chair, Board members.

6 --o0o--

7 DR. LEIBERMAN: The gist of this agenda item is
8 quality. We want to assure that everything we do in terms
9 of developing a curriculum for the State is of the highest
10 quality.

11 You have already proved, as you well know, the
12 contract with the National Geographic Society which will
13 assure us that we have high quality photos, maps, posters,
14 and other graphic elements.

15 This item relates very specifically to the layout
16 people that we will use to work with National Geographic's
17 design templates for our units and our overall package for
18 the curriculum.

19 It also deals with our reviewers who will be
20 comprised of content review experts from universities,
21 agencies around the state. With educational experts,
22 we'll form our educational working group to assure the
23 educational quality of all the elements of the curriculum
24 and with our editors to assure that we have editorial
25 consistency: obviously proofreading, graphical, and

1 grammatical elements are all correct.

2 So all of these pieces that we're sharing with you
3 today and asking your support of relate to assuring that
4 you are most proud of the curriculum that your efforts and
5 support will develop.

6 Thank you.

7 CHAIRPERSON BROWN: Thank you very much.

8 Do we have any questions by Board members?

9 Board Member Mulé?

10 BOARD MEMBER MULÉ: I just have a question on the
11 resolution, Madam Chair.

12 Thank you.

13 The last -- where it says, "Now, therefore it be
14 further resolved," and I don't know if someone can answer
15 it, either Mark or Susan at staff.

16 It just says, "Executive director would not only
17 approve scope of work changes," which I have no problem
18 with, but then it says to approve the contractors.

19 Does somebody want to respond to that?

20 I thought that would normally come back to the
21 Board to approve the contractors, or maybe Elliot can
22 answer that for us.

23 ACTING CHIEF COUNSEL BLOCK: Well, I will go ahead
24 and ask Susan to explain or maybe Andrea can explain why
25 that was necessary.

1 The item, if you go the last "whereas," on the
2 page on the front, it does talk about time being an issue.

3 And my understanding is that this is really the
4 deal with the fact that some of the decisions are going to
5 have to be made fairly quickly on this regard, but the
6 specific details, I would defer them to Susan and Andrea
7 to explain them a little bit better.

8 ACTING ASSISTANT DIRECTOR SAKAKIHARA: It was a
9 timing issue, because the writers are coming on board now;
10 the writing workshop is in September.

11 And because we had to wait the get the money until
12 this fiscal year, we're on a quick time line to get the
13 editors and graphic designers on board, to start working
14 with the writers.

15 So it's just a timing issue. Instead of having to
16 come back, the Board process does take time, and instead
17 of having to come back to the Board, we would hopefully
18 delegate that to Mark.

19 BOARD MEMBER MULÉ: Thank you.

20 CHAIRPERSON BROWN: Member Petersen and then
21 Member --

22 BOARD MEMBER PETERSEN: Yes. I just have a
23 question.

24 Is Heal the Bay, and what they have been working
25 on, still involved in what we're doing to be doing?

1 MS. LEWIS: Actively involved, yes.

2 BOARD MEMBER PETERSEN: Great.

3 CHAIRPERSON BROWN: Member Wiggins?

4 BOARD MEMBER WIGGINS: I think the Board should be
5 able to approve the contractors.

6 I agree with Rosalie.

7 BOARD MEMBER DANZINGER: Can I just ask, is it
8 just a delay in we -- or is there a milestone that would
9 be missed if there was a delay that had to bring it back
10 to the Board? Or is it just generally it will take longer
11 because it has to come back to us, say, two weeks later
12 than if the executive director has sent off on it? Is
13 there some milestone that we might miss as a result of
14 holding it off until the Board meeting?

15 DR. LEIBERMAN: Yes, actually, since we will be
16 hiring on the writers, we went through the selection
17 process last week. The contracting with the writers takes
18 place this month in cooperation with San Luis Obispo
19 County Office of Admin, and there's an agency agreement on
20 that.

21 We'll be conducting the writers' workshop in the
22 second week of September, and they literally will be
23 producing their outlines, and we need our editors and our
24 reviewers on board at the beginning of October to be able
25 to review those outlines and any materials that they

1 draft.

2 CHAIRPERSON BROWN: I think Jeff's question is, is
3 there a textbook timeframe in order that this material has
4 to be produced that would be jeopardized by the Board
5 approving the contractors, specifically in September?

6 DR. LEIBERMAN: No, it's just really an issue of
7 our overall time line, and our goal to get this to the
8 State Board, by fall of 2008, and really literally as we
9 sequence it out and we saw the twenty -- the item of the
10 twenty grade-level packages, it really is a timing issue.

11 Our timeframe is incredibly short on this. It's
12 really probably a four-year project that we're attempting
13 to do in two years. So a month here, two months there
14 really is a costly thing in terms of achieving that goal.

15 CHAIRPERSON BROWN: Okay. All right.

16 Member Peace has a question?

17 BOARD MEMBER PEACE: So the executive director
18 would be approving the contracts. That would all be based
19 on your recommendation?

20 BOARD MEMBER MULÉ: Madam Chair, I don't have a
21 problem with it.

22 I just want to make sure that everyone, you know,
23 understood the process. And I just wanted to make sure as
24 well that if it -- if it truly is a timing issue then, you
25 know, we need to hear that. You know, we need to know

1 that.

2 And also, if you could let us know who the
3 contractors are, communicate that to the Board. I mean,
4 this is a major undertaking and so we -- we just want to
5 be sure that everything is done, you know, properly and
6 we're kept informed of that.

7 Because we do get questions from folks in the
8 Legislature about this project. And so again, we want to
9 make sure we're kept informed of its progress.

10 CHAIRPERSON BROWN: Given the nature of the
11 timing, if I could suggest that as the contractors are
12 chosen and the recommendation is -- comes from you to the
13 executive director for approval, that the Board is
14 notified of who the contractors are and that you to intend
15 to approve it, so that we have an opportunity to discuss
16 it or if there are any questions and -- that we leave the
17 resolution the way it is. If there's any concern, there
18 are procedural ways to address that in the future.

19 But we can, I think, proceed with the resolution
20 as it is with those safeguards.

21 ACTING ASSISTANT DIRECTOR SAKAKIHARA: Madam
22 Chair, we can come back to the Board periodically and give
23 you status updates too and make sure that you're included
24 in all the processes.

25 CHAIRPERSON BROWN: Okay. Well, and we want that

1 any way.

2 ACTING ASSISTANT DIRECTOR SAKAKIHARA: Well, of
3 course.

4 CHAIRPERSON BROWN: We want that anyway.

5 But in the interest of proceeding this way, but
6 keeping the Board involved in this process, because I
7 think that there has been sufficient concern addressed and
8 raised that we want to be a part of the process as we go
9 forward, without hindering the process of moving this in a
10 timely manner.

11 MS. LEWIS: And I was also going to add, we want
12 to keep you apprised, as well, about the writers.

13 So we want to make certain that you are fully
14 knowledgeable about the pace that we're going and it
15 brings the attention to Agenda Item 99, which is obviously
16 a mistake, but we felt that is how many miles per hour
17 that we are going in regard to this.

18 CHAIRPERSON BROWN: I can't keep up with you
19 either.

20 Okay. Do we have any other questions on this
21 agenda item?

22 Concerns? Motions?

23 BOARD MEMBER MULÉ: Madam Chair, I will move
24 Resolution 2006-147.

25 BOARD MEMBER PEACE: Second.

1 CHAIRPERSON BROWN: It's been moved by Member Mul
2 and seconded by Member Peace.
3 Can you call the roll?
4 EXECUTIVE ASSISTANT GARNER: Danzinger?
5 BOARD MEMBER DANZINGER: Aye.
6 EXECUTIVE ASSISTANT GARNER: Mulé?
7 BOARD MEMBER MULÉ: Aye.
8 EXECUTIVE ASSISTANT GARNER: Peace?
9 BOARD MEMBER PEACE: Aye.
10 EXECUTIVE ASSISTANT GARNER: Petersen?
11 BOARD MEMBER PETERSEN: Aye.
12 EXECUTIVE ASSISTANT GARNER: Wiggins?
13 BOARD MEMBER WIGGINS: No.
14 EXECUTIVE ASSISTANT GARNER: Brown?
15 CHAIRPERSON BROWN: Aye.
16 Thank you very much, Dr. Leiberman, Susan
17 Sakakihara, and Andrea Lewis. Appreciate your -- all your
18 hard work and determination to get this done on a -- in a
19 timely manner.
20 Thank you.
21 Okay.
22 We will move now to full Board presentation items,
23 starting with 11.
24 ACTING DEPUTY DIRECTOR VAN KEKERIX: Tabettha
25 Wilmon from the Office of Local Assistance will be making

1 a presentation on the Biennial Review Process.

2 CHAIRPERSON BROWN: Thank you.

3 (Thereupon an overhead presentation was
4 presented as follows.)

5 MS. WILLMON: Good afternoon.

6 I will make a brief overview of the biennial
7 review process.

8 --o0o--

9 MS. WILLMON: What exactly is the biennial review?

10 The biennial review process is one that whereby at
11 least once every two years, California Waste Board staff
12 conduct an independent review of each jurisdiction's
13 progress in implementing its source reduction recycling
14 element or SREE and its household hazardous waste element,
15 or its HHWE.

16 And during this time, the Board staff also
17 reviewed the jurisdiction's progress toward achieving its
18 50 percent diversion requirement rate.

19 --o0o--

20 MS. WILLMON: Why do we conduct a biennial review?

21 Essentially, it's required by law, and it's also
22 the method by which we use to determine compliance with AB
23 939, and whether the jurisdictions are implementing their
24 programs and meeting their 50 percent goal.

25 --o0o--

1 MS. WILLMON: Who must undergo a biennial review?

2 Per state, every city, county, and Board-approved
3 regional agency must undergo a biennial review at least
4 once every two years.

5 The exceptions to this are newly-incorporated
6 cities who don't yet have their SREEs or HHWEs approved,
7 and also individual jurisdictions within a regional
8 agency, since we review the regional agency as a whole.

9 --o0o--

10 MS. WILLMON: Biennial reviews are conducted every
11 two years. For the 25 percent goal, we did a biennial
12 review in '95 and '96, and one again in '97/'98, and for
13 the 50 percent goal, starting in 2000, we conducted one in
14 '99 and 2000, and '01 and '02.

15 So we've completed four biennial review cycles and
16 we're on our fifth one, which is the 2003/2004.

17 --o0o--

18 MS. WILLMON: How is a biennial review conducted?

19 Essentially, Board staff reviews each
20 jurisdiction's progress in implementing the programs that
21 are identified in the SREE, HHWE and in any subsequent
22 annual reports.

23 We also review the types of programs that are
24 implemented by the jurisdiction and their relativity to
25 the waste stream.

1 Finally, we look at whether the jurisdiction is
2 meeting the goal and its relationship of the programs to
3 the jurisdiction's diversion rate.

4 --o0o--

5 MS. WILLMON: The information that Board staff
6 used during the biennial review are the listing of the
7 programs selected for implementation and the
8 jurisdiction's SREE, HHWE, and annual reports.

9 We also look at program implementation and
10 diversion rate information that's provided by the
11 jurisdictions in their annual reports for that biennial
12 review cycle.

13 We also look up program implementation information
14 that's collected by staff via phonecalls with the
15 jurisdictions and by going out and conducting site visits.
16 And we try to get to every jurisdiction at least once
17 during the biennial review period. Obviously those that
18 are -- require more technical assistance, we get to more
19 frequently.

20 --o0o--

21 MS. WILLMON: The biennial review approval process
22 is essentially that Board staff conducts their review to
23 determine compliance with the act.

24 We then make a recommendation based on our review
25 and present that recommendation to the Board for

1 consideration.

2 --o0o--

3 MS. WILLMON: AB 939 required the Board to develop
4 criteria in determining whether jurisdictions meeting AB
5 939 -- the CIWMP Enforcement Policy is the basis for that
6 criteria and it really determines the extent to which they
7 have implemented or shown a good faith effort to implement
8 their SREE and HHWE programs.

9 The policy was first approved by the Board in
10 February 1995, and it was last updated in August 2001.

11 --o0o--

12 MS. WILLMON: The CIWMP Enforcement Policy has
13 four scenarios and essentially it's a combination of
14 whether they are implementing their programs and meeting
15 the rate.

16 The first is whether they are implementing all or
17 most programs and meeting the diversion requirement.

18 The second is whether they are implementing some
19 or all and not meeting the diversion requirement.

20 Third is whether they are implementing a small
21 number yet still meeting the diversion requirement.

22 And finally, whether they are not implementing
23 programs and not meeting the diversion requirement.

24 --o0o--

25 MS. WILLMON: Based on Board staff's review, we

1 come up with recommendations to the Board.

2 Some of the possible findings are whether the
3 jurisdiction is found to be in compliance, meaning they
4 have met the 50 percent goal, or they have made a good
5 faith effort to meet the 50 percent goal.

6 Another finding could be whether they are not in
7 compliance, in which case Board staff would recommend a
8 compliance order and schedule.

9 And in prior biennial reviews, there was a third
10 option. That was allowed by AB 1066, and it allowed
11 jurisdictions to apply for additional time, time
12 extensions or alternative diversion requirements meeting
13 the 50 percent goal.

14 That law sunset January 1st, 2006. So it's no
15 longer an option for jurisdictions during the biennial
16 review. However, we do have approximately 107 that are
17 currently -- well, not currently, I keep forgetting where
18 we are in time. But they had time extensions through
19 2005, so their time extensions were just up.

20 --o0o--

21 MR. YOUNG: But jurisdictions in compliance,
22 essentially the Board accepts that jurisdiction's
23 implementation of its SREE and HHWE, and its diversion
24 rate as reported, as either meeting the 50 percent goal or
25 having made a good faith effort to get there.

1 And when we talk about good faith effort, it's
2 that the jurisdiction hasn't reached the 50 percent goal,
3 but they've demonstrated a commitment towards that end,
4 meaning they've implemented the reasonable and feasible
5 programs to meet the 50 percent goal.

6 And it also means that the program implementation
7 and diversion rate are accepted as reported.

8 --o0o--

9 MS. WILLMON: Again, as I mentioned, the SB 1066
10 time extension was allowable, is no longer an option. It
11 sunset January 1st, 2006.

12 --o0o--

13 MS. WILLMON: Finally, the jurisdictions, if they
14 are not in compliance, Board staff recommend a compliance
15 order, and that is issued when the Board determines that a
16 jurisdiction is not in compliance.

17 Once that is issued, Board staff work with the
18 jurisdiction to develop a local assistance plan which
19 is -- it's got tasks and time lines for the jurisdiction
20 to bring them back into compliance.

21 And potential fines exist when the jurisdiction
22 fails to adhere to its compliance order and/or its local
23 assistance plan, and that's where the fines may lead to up
24 to \$10,000 per day.

25 --o0o--

1 MS. WILLMON: For our -- once Board staff do their
2 review and bring it forward to the Board, and for our
3 upcoming BR cycle, we are proposing to bring forward our
4 items in a variety of formats, and one of them is the
5 streamlined or grouped agenda item.

6 Those will be all of the jurisdictions that Board
7 staff are recommending are in compliance, meaning they
8 have met 50 percent or good faith effort.

9 And in an effort to save paper, we are proposing a
10 streamlined attachment. What we will be providing is all
11 of the diversion rates for these jurisdictions as well as
12 a listing of the programs. So we're hoping that we will
13 be able to use that format.

14 We will also be bringing forward individual agenda
15 items, and these are primarily, 1, jurisdictions that are
16 in compliance but they have a new base year or another
17 item that needs to be considered individually.

18 Also, the individual agenda items will be those
19 jurisdictions that are not in compliance, that we're
20 recommending compliance orders for.

21 There are some item exceptions, and what this
22 means is jurisdictions who are on existing compliance
23 orders and existing time extensions, and since we're
24 coming up with -- to the '03/'04 biennial review, we will
25 have some 1066 jurisdictions who have through the end of

1 2005.

2 So we will not be bringing items forward for them.

3 However, we do review these.

4 Compliance orders must report to us quarterly, and
5 time extension jurisdictions have to report to us twice a
6 year, so we -- it's not that they are not being considered
7 and being reviewed; they are actually being reviewed on a
8 more frequent basis than the other jurisdictions that we
9 review annually and during the biennial review.

10 --o0o--

11 MS. WILLMON: Our current biennial review cycle,
12 we have approximately 424 jurisdictions that were required
13 to submit annual reports. We anticipate taking about 300
14 forward on in a streamlined or a grouped agenda item. we
15 will be begin taking those in September. We have
16 approximately 17 that we're going to be bringing forward
17 in individual items.

18 And as I mentioned before, we have time extensions
19 through December 31st, 2005, approximately 107 that we
20 will not bring forward in items unless we find that those
21 jurisdictions did not implement their plan of correction
22 or their goal achievement plan.

23 We are completing our reviews of all the 1066
24 status updates that these jurisdictions submitted, the
25 ones that ended in 2005 and any jurisdiction that we found

1 didn't implement their plan of correction, we will bring
2 forward for consideration if they're not at 50 percent.

3 --o0o--

4 MS. WILLMON: And that concludes my presentation.
5 Are there any questions?

6 I would be happy to answer them.

7 CHAIRPERSON BROWN: Thank you, Tabetha.

8 Do we have any questions, Board members?

9 Member Mulé?

10 BOARD MEMBER MULÉ: Thank you, Madam Chair.

11 First of all, thank you, Tabetha, for the
12 presentation. It's always good to go over this
13 information, because this is really fundamental to the
14 current Board, and our mission is diversion.

15 So couple questions on the 1066 time extensions.
16 They did expire in '05.

17 I have been getting quite a few questions from
18 local jurisdictions: What happens now? Where do we go
19 from here?

20 And so I don't know if you can answer it or
21 Lorraine or Mark can explain, where do we go from here?
22 Because it would take legislative action to continue those
23 time extensions.

24 Does somebody want to answer that?

25 MS. WILLMON: Again, we've got the 107 that we

1 will be looking at and bringing forward. If they did
2 not -- essentially what we're looking at is they are at a
3 point where they are either in compliance, meeting
4 50 percent. If they didn't meet 50 percent and they
5 implemented all of their programs, we look at whether they
6 could -- there are any additional programs that are
7 reasonable and feasible for that jurisdiction to
8 implement.

9 That would put them into a good faith effort.
10 These jurisdictions, in their SB 1066 plan of corrections,
11 identified specific programs.

12 If there -- if we go out and do a gap assessment,
13 a program needs assessment and determine with them that
14 there's really -- they are really covering and doing as
15 much as they feasibly -- as much as is feasible, then we
16 would look at a good faith effort determination, even
17 though they are not at 50 percent.

18 If there is more or additional program expansion,
19 new programs that they can target for perhaps a new waste
20 stream that's come along, it would go into a compliance
21 situation at that point, barring any new legislation.

22 BOARD MEMBER MULÉ: Okay. Good.

23 Thank you.

24 And then also, I'm really pleased to see the
25 streamlined reporting in terms of the agenda process,

1 Mark, and I have had a number of discussions on that. And
2 I -- frankly two years ago, I was tired of carrying around
3 two really thick binders with all that paper.

4 And then, on the -- on the -- I guess it's on the
5 compliance orders, we have brought a number of
6 jurisdictions to us and we've actually fined -- Board
7 Member Peace, right, we've fined, what, four or five
8 jurisdictions already.

9 MS. WILLMON: We fined, I believe, two for failure
10 to submit their SREES, way back when. And I believe there
11 are about four, at least, that I can think of, that we've
12 fined for not implementing -- or not adhering to their
13 compliance order.

14 BOARD MEMBER MULÉ: Right.

15 And then, again, I guess for the future, I know
16 that Mr. Schaivo, who's in our audience, worked very hard
17 on an alternative compliance option, which, frankly, I
18 supported it when it was actually being formulated. And
19 the idea behind that was to create a simplified and more
20 timely reporting and compliance.

21 I mean, here we are in August of 2006, looking at
22 data from 2003 and 2004. And it's really -- it's
23 confusing at the very least to local jurisdictions.

24 So that's something that I hope that we do pursue,
25 as a Board, at some point, and whether or not -- you know,

1 I know that some of this needs to go to the Legislature,
2 so maybe it's something that we could look at working on
3 in the incoming here.

4 CHAIRPERSON BROWN: Thank you, Rosalie.

5 Do we have any other questions?

6 BOARD MEMBER PEACE: The only question I have is,
7 has staff been looking today for us to give us the okay
8 streamlined -- streamlining --

9 MS. WILLMON: We would love it.

10 BOARD MEMBER PEACE: Well, I'm all for that.

11 CHAIRPERSON BROWN: I think that we need to do the
12 grouping of all the agenda items.

13 MS. WILLMON: Perfect. We'll do that.

14 BOARD MEMBER PEACE: Streamlining the ones that
15 are in compliance.

16 ACTING DEPUTY DIRECTOR VAN KEKERIX: You then will
17 see between 150 and 200 jurisdictions coming to you in
18 September, because staff has really been working hard
19 since we got the reports in, and the bulk of them are in
20 that streamlined category.

21 CHAIRPERSON BROWN: Great.

22 BOARD MEMBER PEACE: If any of us have any
23 questions, we can always go to you for more information or
24 backup. We don't need to get that big -- one on every
25 jurisdiction.

1 MS. WILLMON: Absolutely.

2 If you have any questions on any particular
3 jurisdiction that's in that group, feel free.

4 ACTING DEPUTY DIRECTOR VAN KEKERIX: Or if you
5 have questions on the biennial and review process in
6 general, we would be happy to tell you about the process.

7 CHAIRPERSON BROWN: That's a great overview.

8 Thank you Tabetha, I appreciate that.

9 Okay. With that, we'll move to Item 12.

10 Lorraine?

11 (Thereupon an overhead presentation was
12 presented as follows.)

13 ACTING DEPUTY DIRECTOR VAN KEKERIX: Since the
14 mouse for clicking forward is out here, I will take the
15 opportunity to stand up to make the presentation from
16 here.

17 --o0o--

18 ACTING DEPUTY DIRECTOR VAN KEKERIX: This is an
19 item on discussion and request for direction regarding
20 options for calculating the 2005 statewide diversion rate.

21 We started off and we had a system where we
22 measured diversion and disposal, but measuring diversion
23 was quite costly, so we've gone to a method where we do a
24 calculation.

25 --o0o--

1 ACTING DEPUTY DIRECTOR VAN KEKERIX: And we start
2 off, as we told you back in the April meeting on
3 measurement, with the base year generation tons that came
4 in and jurisdiction generation studies, we then use an
5 adjustment method to account for changes in tonnage
6 generated caused by changes in population and the economy.
7 And we look at measurement year disposal tons to estimate
8 the diversion rate.

9 --o0o--

10 ACTING DEPUTY DIRECTOR VAN KEKERIX: Where we'll
11 be focusing today is on the adjustment method. As I said,
12 the adjustment method was developed based on premise that
13 with all things being equal, growth and population and the
14 economy would result in higher waste generation.

15 So what we're looking at is the moneybags are
16 taxable sales; population, the groups of people; and
17 employment, the folks with the little dollies wheeling
18 things around.

19 --o0o--

20 ACTING DEPUTY DIRECTOR VAN KEKERIX: And what
21 happens is you take your base year generation, you apply
22 the adjustment method, and you end up with an estimated
23 measurement year generation amount -- in this case, it
24 would be for 2005 -- and we compare that to reporting year
25 disposal.

1 --o0o--

2 ACTING DEPUTY DIRECTOR VAN KEKERIX: The
3 adjustment method factors and sources are -- it's all
4 publicly available information, available at no cost. So
5 we use population data from Department of Finance,
6 employment data from Employment Development Department,
7 taxable sales from the State Board of Equalization, and
8 the inflation index.

9 And the real question here today is on the
10 inflation index.

11 --o0o--

12 ACTING DEPUTY DIRECTOR VAN KEKERIX: The inflation
13 adjustment factor adjusts the measurement year taxable
14 sales for inflation.

15 Through 2003, the jurisdiction annual report
16 submittals used Consumer Price Index. It was the only
17 inflation factor that was approved for use in the
18 adjustment method.

19 In 2004, after we did extensive work in an
20 adjustment method working group, the California State
21 Board of Equalization took the position that their taxable
22 sales deflator, when converted to an index for us to use,
23 is more accurate than Consumer Price Index when adjusting
24 for inflation and taxable sales.

25 The working group for the adjustment method

1 recommended, and the Board staff recommended, the Board
2 allow use of the Taxable Sales Deflator Index instead of
3 CPI if the jurisdictions chose to do it for their 2004
4 annual reports.

5 So many of these biennial reviews that you see are
6 going to have jurisdictions using the TSDI calculated
7 diversion rate.

8 --o0o--

9 ACTING DEPUTY DIRECTOR VAN KEKERIX: The Taxable
10 Sales Deflator is a measure of inflation. And BOE's
11 Taxable Sales Deflator is more correct because that
12 Taxable Sales Deflator is a measure of the percent price
13 change only for goods and services subject to California
14 sales and use tax.

15 In other words, we have taxable sales as part of
16 the equation, and Taxable Sales Deflator exactly matches
17 what's in taxable sales.

18 --o0o--

19 ACTING DEPUTY DIRECTOR VAN KEKERIX: How's Taxable
20 Sales Deflator different from CPI?

21 The Taxable Sales Deflator Index measures price
22 changes in taxable goods and services purchased by
23 California businesses, governments, and consumers.

24 The Consumer Price Index measures prices paid only
25 by California urban consumers, not the rural. It also

1 doesn't include California businesses or California
2 governments.

3 And businesses and governments account for about
4 30 percent of all U.S. retail transactions.

5 --o0o--

6 ACTING DEPUTY DIRECTOR VAN KEKERIX: CPI includes
7 many items that are exempt from California sales and use
8 tax: services such as medical care, communications,
9 education, and housing, and some goods.

10 --o0o--

11 ACTING DEPUTY DIRECTOR VAN KEKERIX: When we take
12 a look at the Consumer Price Index versus the Taxable
13 Sales Deflator over time, you can see that the curves,
14 here, are very different.

15 The Consumer Price Index is the upper line, the
16 blue line, and you can see that there was a lot of
17 inflation in the Consumer Price Index over time. And if
18 you think about it, things like our housing costs have
19 just skyrocketed over the last several years. So when you
20 have that included in CPI, it's going to be going up
21 faster.

22 So when we use the -- when we use the CPI, it will
23 underestimate change in real taxable sales, and therefore
24 it will underestimate the measurement year generation
25 tons, and that means that diversion rates will be lowered.

1 In previous years, the difference between using
2 the Consumer Price Index versus Taxable Sales Deflator
3 would have as much as five percentage points in the
4 diversion rate estimate.

5 So okay, I didn't realize we had all these on
6 here.

7 --o0o--

8 ACTING DEPUTY DIRECTOR VAN KEKERIX: So we have a
9 choice.

10 We can continue using the Consumer Price Index in
11 which case the 2000 diversion rate would be 50 percent, or
12 we can begin using the Taxable Sales Deflator Index in
13 which case the 2005 diversion rate would be 52 percent.

14 BOE has said that they believe that TSDI is more
15 accurate and valid for use in our adjustment method, and
16 using the TSDI would be consistent with the Board's
17 September 2005 decision that allows jurisdictions to use
18 TSDI in calculating their diversion rates.

19 --o0o--

20 ACTING DEPUTY DIRECTOR VAN KEKERIX: So the Board
21 has several options:

22 The Board can direct staff to calculate the
23 statewide diversion rate using TSDI, beginning with the
24 2005;

25 Board can direct staff to continue calculating the

1 statewide diversion rate using CPI;

2 Or direct Board staff to take other action.

3 --o0o--

4 ACTING DEPUTY DIRECTOR VAN KEKERIX: The staff
5 recommendation is to calculate the statewide diversion
6 rate using TSDI, beginning with 2005.

7 And we would be happy to answer any questions.

8 CHAIRPERSON BROWN: Thank you, Lorraine.

9 Do we have any questions?

10 Board Member Peace?

11 BOARD MEMBER PEACE: My question is, the
12 jurisdictions have a choice between what they want to use,
13 the TSDI or the CPI?

14 ACTING DEPUTY DIRECTOR VAN KEKERIX: Yes.

15 BOARD MEMBER PEACE: Do you have any idea how many
16 jurisdictions, what percentage of jurisdictions use the
17 CPI and how many use the TSDI?

18 ACTING DEPUTY DIRECTOR VAN KEKERIX: I don't have
19 an exact number, but my understanding is that almost
20 everyone is going with the TSDI number.

21 There were a few jurisdictions who have said that
22 they don't want to do that. Jurisdictions that are doing
23 new base years wouldn't be using it because they are doing
24 their actual measurements.

25 So there will be some jurisdictions that are

1 not -- the overwhelming majority are planning to use the
2 TSDI, and we'll be bringing those forward in the biennial
3 reviews at the September meeting.

4 BOARD MEMBER PEACE: If you feel that most of the
5 jurisdictions using the TSDI, then we should probably be
6 using -- I would think the State should be using the same
7 -- same measurement method.

8 CHAIRPERSON BROWN: Agree.

9 Any other questions?

10 Member Mulé.

11 BOARD MEMBER MULÉ: Thank you, Madam Chair.

12 Lorraine, the TSDI, that's -- that statistic is by
13 jurisdiction? Is that -- no? It's not, Nick?

14 ACTING DEPUTY DIRECTOR VAN KEKERIX: Nick
15 Cavagnaro from the Waste Analysis Branch is here to
16 answer --

17 BOARD MEMBER MULÉ: Could you come up, Nick, and
18 explain how that is calculated? You may want to explain
19 it for the record.

20 MR. CAVAGNARO: In the case of TDSI, it's
21 available statewide only.

22 BOARD MEMBER MULÉ: Oh, it is.

23 MR. CAVAGNARO: In other words, we do not have the
24 regional numbers.

25 CHAIRPERSON BROWN: Then how do jurisdictions use

1 that number for calculating their own jurisdiction's
2 diversion rate?

3 MR. CAVAGNARO: Basically what you're doing is
4 you're pulling inflation out of report year taxable sales,
5 and --

6 BOARD MEMBER MULÉ: So they are taking their
7 taxable sales by jurisdiction? They are using those --

8 MR. CAVAGNARO: They can use either jurisdiction
9 level or countywide level.

10 CHAIRPERSON BROWN: Okay.

11 So they are doing that. They are actually taking
12 their own taxable sales. They are not taking a statewide
13 average number and applying that to their jurisdiction.

14 MR. CAVAGNARO: Correct. In the case of
15 jurisdictions, they can elect to use jurisdiction level
16 taxable sales amounts or countywide taxable sales amounts.

17 CHAIRPERSON BROWN: Okay.

18 And then they apply the TSDI to that --

19 MR. CAVAGNARO: Yes.

20 CHAIRPERSON BROWN: -- and then further calculate
21 the diversion rate.

22 MR. CAVAGNARO: Yes.

23 BOARD MEMBER MULÉ: I just thought it would be
24 good for everybody to hear that and understand it.

25 Because I know, in using CPIs, I've worked a lot

1 with doing this -- these calculations, when I was in the
2 private sector. And I know that the CPI is basically --
3 it's regional type of statistics. It's based on a
4 metropolitan statistical area.

5 For example, Inland Empire is Riverside, San
6 Bernardino, Orange County. Well, that doesn't truly
7 reflect what may be happening in the city of Murrieta, for
8 example.

9 So I think using this statistic, this TSDI is
10 going to be much more accurate for the jurisdictions.

11 So I support -- I believe it's Option 1, here.

12 CHAIRPERSON BROWN: Thank you.

13 Member Petersen?

14 BOARD MEMBER PETERSEN: I'm fine.

15 CHAIRPERSON BROWN: Okay.

16 Any other questions from other members?

17 It seems like from the dais and comments, that it
18 would indicate that we would like staff to begin the use
19 the TSDI deflator index for calculation of the statewide
20 diversion rate, to be consistent with what most
21 jurisdictions are doing, and a much more accurate
22 reflection of state diversion.

23 Okay?

24 Without objection, go forth and carry out Item 1.

25 Okay. It's now 12:40.

1 The Board needs to go into closed session.

2 Mr. Executive Director, what is your estimated
3 time for closed session business, or chief counsel, so
4 that we can plan accordingly?

5 I'm a planner.

6 Given that there will be questions and some
7 discussion.

8 EXECUTIVE DIRECTOR LEARY: My panel of experts are
9 consulting over here.

10 We're projecting, based on taxable sales, at about
11 45 minutes.

12 CHAIRPERSON BROWN: 45 minutes for a closed
13 session?

14 Then I will ask the dais, do we want to take a
15 short break to get lunch and do closed session over lunch
16 and roll right into our afternoon session? Or would you
17 prefer to take a short break now and do closed session
18 after our lunch break and roll straight into afternoon?

19 BOARD MEMBER PETERSEN: I'm ready for a nap.

20 (Laughter.)

21 CHAIRPERSON BROWN: I'm sorry, I can't schedule
22 naps, Gary.

23 Well, then maybe -- can we move to the closed
24 session now, if everybody can do that, and then we'll take
25 a break from 1:30 to 2:00 and start our afternoon session

1 at 2:00 instead. That will give us a break for a half an
2 hour, between closed session and our afternoon governance
3 workshop.

4 BOARD MEMBER WIGGINS: Well, we don't have that
5 much left.

6 Why can't we just wrap up?

7 CHAIRPERSON BROWN: We're finished with open
8 session business; we need to go to closed session --

9 BOARD MEMBER WIGGINS: Oh.

10 CHAIRPERSON BROWN: -- which Mark estimated at 45
11 minutes.

12 So we'll do that, and we'll take a break and start
13 our afternoon governance at 2:00 p.m.

14 Thank you.

15 (Thereupon the Board recessed into closed
16 session.)

17 (Thereupon the California Integrated Waste
18 Management Board's full Board meeting
19 adjourned at 1:35 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, KATHRYN S. KENYON, a Certified Shorthand
3 Reporter of the State of California, do hereby certify:

4 That I am a disinterested person herein; that
5 the foregoing California Integrated Waste Management
6 Board's full Board meeting was reported in shorthand by
7 me, Kathryn S. Kenyon, a Certified Shorthand Reporter of
8 the State of California, and thereafter transcribed into
9 typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said meeting nor in any
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 27th day of August, 2006.

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22

23 KATHRYN S. KENYON, CSR

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